

NOVEMBER 1, 1933

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SALES

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A Dictator



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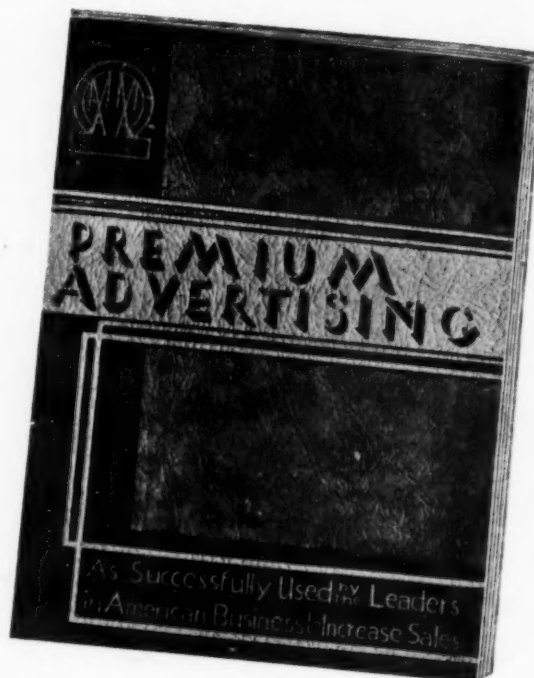
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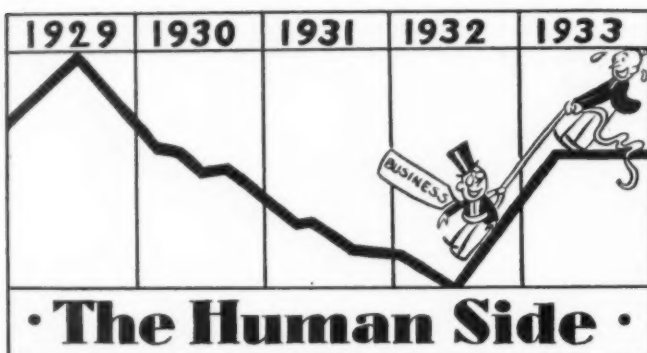
Every advertising man will agree to that. You require a newspaper that is conscientiously and steadily READ . . . not "glanced through."

That is why it is so *vital*ly important to recognize the fact that the JOURNAL is New York's BEST READ evening newspaper . . . and that it is read in about a quarter of a million more homes than *any* other evening paper in New York.

NEW YORK JOURNAL

**New York's BEST READ, and therefore,
most INFLUENTIAL evening paper**

NATIONALLY REPRESENTED BY RODNEY E. BOONE ORGANIZATION



2,900 Per Cent Mark-up

An exhibit of furniture, displayed as complete rooms, by W. and J. Sloane in New York, was proving so popular that one of the managers sent out to Woolworth's to buy a dozen ash trays to protect the rugs. The ash trays, of modern design, were placed around the exhibit floor for the convenience of visitors.

One woman visitor became intrigued with the trays. She asked the price. The salesman, whose experience did not cover ash trays and who had never seen this particular tray before, did not know. He asked his colleagues. They did not know either. One ventured the opinion that the ash tray was of sandwich glass and probably was worth \$3.

The executives being out to lunch, the salesman returned to the customer, explained that the item was of sandwich glass, the price \$3. That was all right with the customer. She paid for the tray and took it with her.

The woman's friends liked it. The next day she returned to buy six more. The salesman collected six around the exhibit floor, and \$18.

In Sloane's accounting at the end of the month appeared the sale of seven strange glass items not in the purchase records. After persistent questioning, they were traced to the proper manager.

To the woman Sloane returned the money, with apologies.

What's in a name?

"Keep Askin' 'em"

"Yassah, youall's got to keep askin' 'em to buy. Some of 'em buys."

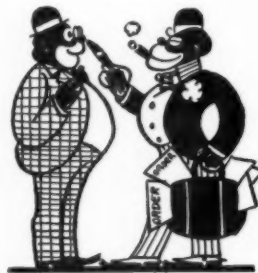
When the Jenkins Music Company, of Kansas City, distributor of Majestic electric refrigerators and radios, started a sales contest among its salesmen and office and store employees recently it divided the contest into two divisions—salesmen and non-salesmen.

When the sales were counted up, Keith S. Dunn, porter in its Oklahoma City store, skin the color of a Sumatra wrapper, was declared victor in the non-salesman division. Keith has been porter and clean-up man in that store for 17 years.

Mr. Dunn is a mixer in colored society, something of a politician and "jiner." He dresses pretty nifty and knows "all the boys." He'd rolled up a sale of six refrigerators and one radio. The dollar take was just short of \$1,300. All of his sales were among negro friends.

"I just kept tellin' 'em," Mr. Dunn explained. "Then, when they got told, I asked 'em to buy. I told 'em nights and I told 'em Sundays."

This porter who would be a salesman, says his



boss, E. M. Snedeker, has been a pretty consistent producer of sales for a long time. Mr. Snedeker added:

"He's always mixing around with the better class of colored people. He takes pride in bringing in an order. He thinks telling 'em and asking 'em is a big part of selling. It's something to think about at that."

Carolina Comeback

Four years ago Erskine-Danforth Corporation was supposed to be the largest maker of fine furniture in the country. The Sheffield scientific library at Yale, the University of Chicago dormitories, those palatial Grace Line steamers, office buildings and other structures were E-D equipped. Perhaps the cathedral effects then being sought by the more affluent advertising agencies were made possible largely by Erskine-Danforth. The corporation's big plant at Stamford supplied its showrooms and sales offices in New York, Chicago, Cleveland, Boston, Los Angeles. Ralph C. Erskine, president, was a quiet, scholarly looking adviser to other wealthy people in planning and providing for the places where they lived and worked. Margaret, his wife, was "charming."

But the depression, which hurt so many other businesses, virtually ruined fine furniture. Erskine-Danforth went into receivership. The Erskines lost their business, their money—and a son.

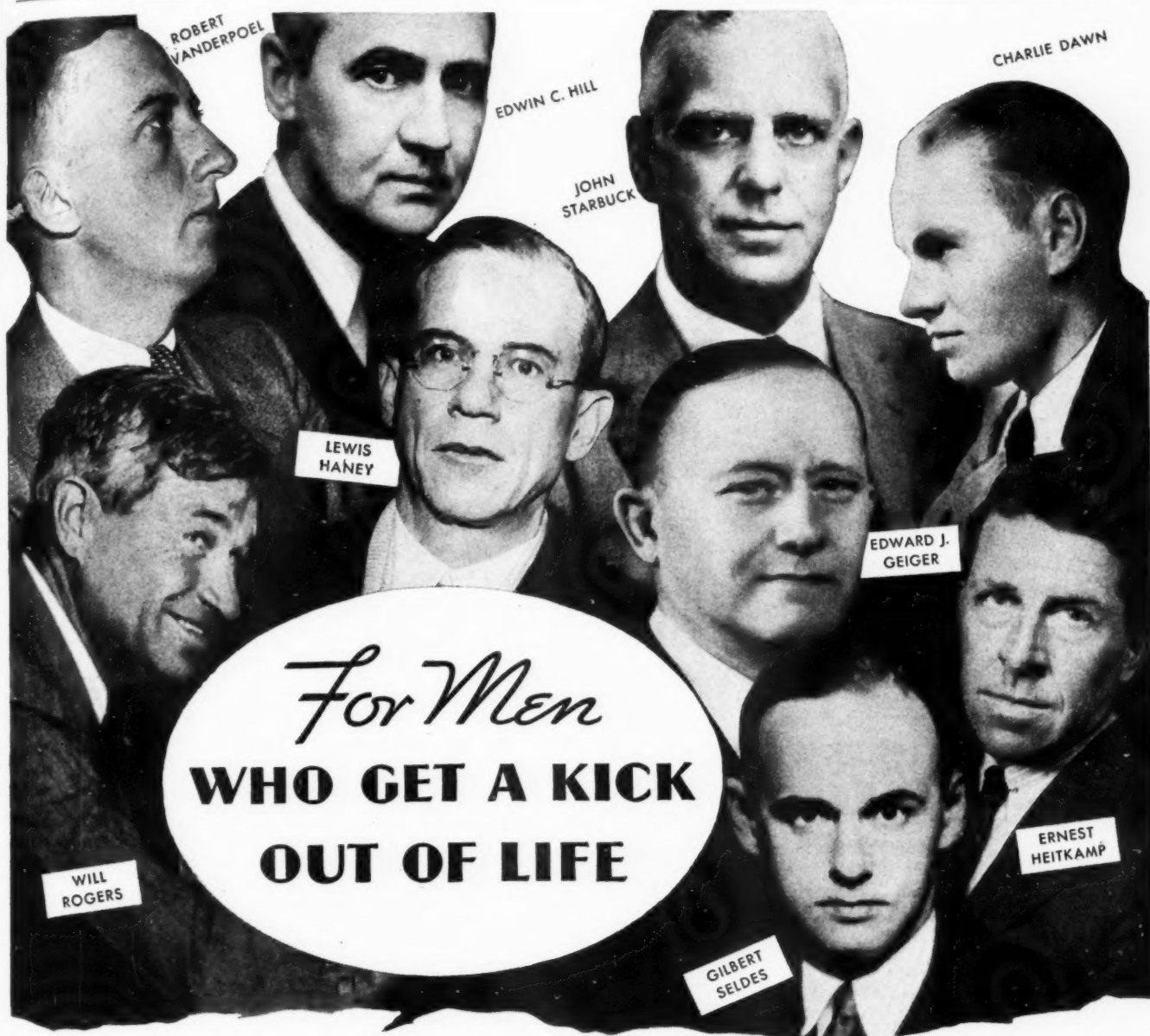
The other day we heard of the organization of Ralph C. Erskine, Inc., at Tryon, down near Asheville, in the Piedmont section of North Carolina. It is a "mail-order business in foods and allied products of the Carolinas." Head of it, and chief copywriter, is Mr. Erskine. In charge of the preparation of foods is Mrs. Erskine. Mr. Erskine really got his business start down at Tryon 25 years ago, with a little furniture factory in which were reproduced early American furniture designs. He wrote most of his copy. Advertising people tell us it was good copy. Mrs. Erskine had learned dietetics. They are pooling their knowledge to start over again now.

The "plant" is an old plantation house in the Pamelot valley. In its ten rooms are being installed cooking and mailing equipment. The line is called "Melmar honey foods (Mel meaning honey and Mar Margaret Erskine). The company will emphasize the advantages of honey, instead of sugar, as a sweetening. There will be health breads, with raisins, pecans or walnut or peanuts, figs, and honey, steamed breads, ground whole wheat flour and water-ground meal; hams; various condiments; honey candies; pickles and preserves; cookies, crumpets, puddings and other things (and, of course, honey, sold separately for cooking and table use). Other native products—chintzes, wool homespun, hooked rugs and pottery—also will be made available.

The Erskines hope to do their part to bring prosperity back to that region. Young men and women there, many of them long unemployed, some of them college graduates, will assist in the "manufacturing" and marketing.

Mr. Erskine has purchased Multigraph and Addressograph equipment "at rebuilt prices." Libby-Owens glass and Du Pont Cellophane are cooperating with container equipment. The Southern Railway may use Melmar foods on its dining cars and steamship lines.

When Mr. Erskine first bought an estate down at Tryon, not so long after his graduation from Williams College, he was undecided whether to try to sell furniture or foods, by mail. He picked furniture then. His work there became the nucleus of the Erskine-Danforth Corporation. Back in Tryon again, he and Mrs. Erskine think foods ought to go better, these days.



For Men
**WHO GET A KICK
OUT OF LIFE**

THEY LOVE LIFE. They want to live it to the full. They are under 40 or they think under 40. They play harder, they work harder.

It is a pleasure to publish a newspaper for men like that. In Chicago especially, for the percentage of men who get a kick out of life runs high in Chicago.

Their newspaper is the American because it is dramatic, dynamic, youthful, modern, amusing . . . preferred by men in more than 400,000 Chicago families.

At clubs, at the games and races, on LaSalle Street, at theatres you hear Chicago men say: "Will Rogers' column is a big tonic, isn't it?" . . . "Eddie Geiger certainly had the dope on this game" . . . "Vanderpoel's financial pages are excellent" . . . "Gilbert Selde's forecast Roosevelt's policy a week ago" . . .

and more about Heitkamp on golf, Lewis Haney on

business, Charlie Dawn on night life, Edwin C. Hill's human news stories, Railbird's horses, John Starbuck on men's fashions, Walter Winchell, Ashton Stevens, Leo Fischer, Bill Corum, Mark Hellinger.

Evidence that Chicago American men are more active, go more, have a greater urge to spend: (1) *The American carries more amusement advertising than any other daily newspaper in Chicago.* (2) *The American led all Chicago daily newspapers in 1932 in automotive advertising.*

At least \$500,000,000 will be spent for merchandise by Chicago American men and their families within the next 12 months.

The American can unlock a generous share of that expenditure for any manufacturer who will use its advertising columns consistently and adequately.

CHICAGO AMERICAN

a good newspaper



Now in its **THIRTEENTH YEAR OF CIRCULATION LEADERSHIP** in Chicago's evening field

National Representatives: Rodney E. Boone Organization

SALES management

Vol. XXXIII. No. 10 November 1, 1933

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Tattooed Chickens

WLS, the *Prairie Farmer* station in Chicago, does things for its listeners. All summer, for example, it has been supplying guides for parties of rural people who wanted to see the World's Fair without fear of gangsters, et cetera.

Also, it has persuaded farmers to tattoo their young chickens. Hundreds of thousands of chickens are stolen in the central west every year by organized bands of chicken thieves.

The chickens are branded, with indelible ink, by means of a sort of "needle punch" on the skin under a wing. Well, not long ago an Illinois sheriff reported to WLS that 300 tattooed chickens had been stolen the night before.



WLS radioed a warning to all chicken dealers to look out for the lot.

The next morning, at sun-up, the whole 300 stolen chickens came walking out of a cornfield adjoining their home place and entered their ancestral barnyard. The thieves, realizing they had "hot" chickens that were too hot, had brought them back and dumped them.

And in ways like this *Prairie Farmer* keeps selling itself to "its people."

Turtle King

Seven weeks ago the Chicago Turtle Company started at scratch with one mud turtle. Since then, thanks to a bit of art work on the shells, the company has sold 250,000.

Turtles, of course, have been sold in pet stores and florist shops for years. They're the little fellows, just hatched, priced at ten cents to a quarter.

Henry Fenenbock, general manager of the Chicago company, and the nation's turtle king, got into the business by accident. A few months ago, in Florida, he picked up a wee turtle. Mildly interested, he brought it home to Chicago.

Mr. Fenenbock sells souvenirs, knickknacks and all manner of things. His turtle was in the stockroom near some paints and lacquers. A practical joker painted the turtle's green back white. Someone else, to add to the gaiety, picked up a decalcomania transfer and added a rose. A third took a camel's hair brush and lettered on, "Souvenir of the World's Fair."

Mr. Fenenbock, who is a bright young fellow, whooped with delight. He wired to Florida for more turtles—many more turtles. They've been coming ever since in lots of 1,000, 10,000 and 20,000. Result—the Gulf Coast from Florida to Texas has been hunted mighty clean of turtles.

In the beginning young turtles could be had F.O.B. at 2 and 3 cents each. Last week the price was 5 cents. Some are now demanding 8, "at the bayous." One turtle seller at the World's Fair has been averaging about 800 a day.

Stocks have gone so swiftly that Woolworth, Kresge, Walgreen and other Chicago chains have been selling on sample for future delivery. As this is written deliveries are five days behind orders.

Mr. Fenenbock has built up a sideline—ants' eggs! He began buying ants' eggs for the turtles in pound lots. Recently he has been buying in 500-pound lots. Turtle buyers want ants' eggs to feed the turtles!

In the last two months Mr. Fenenbock has bought more ants' eggs than were ever sold in any twelve months in the United States before.

Altogether, Mr. Fenenbock seems to have done a whale of a job with two-inch mud turtles.

Significant Trends

As seen by the editors of *Sales Management* for the ten days ending November 1, 1933:

Business Recovery and Reform

In his radio address of Sunday, October 22, the President maintained his All-American

standing as the country's premier salesman. He seems to have explained his program to the satisfaction of the great masses, although he did not discuss certain phases which would have interested business men. The fears of a decline in the volume of business, the knowledge that the higher and less flexible costs under NRA are likely to remain, the feeling that the Administration is giving little consideration to the development of reasonable profit margins in industry—these points were not touched upon.

• • • On the evening following the speech, one of our editors happened to be with the owner of a large New York furniture store, who said the day's business had been the largest since the first of September, and that a number of customers said they had come in because of the encouragement and hope which the President had inspired.

• • • The President appears to have accepted two primary points as mandates from his constituents: (1) to produce business recovery, and (2) to institute business reform. He has tried conscientiously to carry on both programs at the same time. This may be possible, but there are numerous indications that an overwhelming majority of the people want recovery first, and think that reform might well be used as the restraining brake if and when recovery proceeds too rapidly.

• • • President Roosevelt doesn't want the speculators to reap all harvest, as he so emphatically stated in his talk, nor does he want to see "the rich get richer and the poor get poorer." Rather he seeks a more equal distribution of wealth. But the country is security-minded, and when the quotations of the New York Stock Exchange slide off rapidly, the tempo of recovery slows up and the "all-gone" feeling starts to reappear. The country in large part takes its cue from the market quotations, and specifically this is true of the some ten million security holders. Therefore, the President's new plan for governmental open market buying of gold can be taken as indicating a realization of this truth in Washington circles and as seeking an upward trend in security prices as well as commodity levels.

• • • The President also made it very clear that there have been no changes in his major and constant recovery objectives, even though the methods used may shift and fluctuate. These can be summarized:

1. To raise commodity prices to approximately the 1926 level;
2. To make debts payable with the same size dollar as when debts were contracted;
3. To stabilize the dollar and prices after prices get to a satisfactory level, through a managed currency;
4. To increase employment and purchasing power.

The State of Business

Some business men are wondering whether we are facing a new period of contraction which may bring us back to the low levels of the depression, so far as activity and employment are concerned.

Among the factors which will tend to prevent a major business contraction of such sweeping character are: (1) the banking situation has been greatly improved; not only are small depositors to be guaranteed, but depositors in closed banks are about to get some of the money on their frozen funds; (2) the public works program will help maintain the level of business activity in coming months; (3) despite criticisms of NRA, it is likely that the codes of fair competition will keep competitive practices upon a sounder level than prevailed before NRA; (4) the status of the farmer, despite current dissatisfaction, is much better than a year ago—the President estimated a gain of $33\frac{1}{3}$ per cent in purchasing power for the current year.

• • • The sign posts along the way are marked currently as follows:

Bank Debts: For the first two weeks in October, the gain over last year was approximately 2 per cent; for the week ending October 25, they were 12 per cent above.

Steel Production: Currently the mills are operating at less than 35 per cent of capacity—back to the level of last May. The mills have offered to cut the price of steel rails from \$40 a ton to \$37.75, in the hope of obtaining orders for 1,000,000 tons of government finance rails.

Car Loadings: The total for the week ending October 21 was 97.6 per cent of the September 2 peak.

Textiles: Activity receded further during October, and the recession in prices and less favorable retail sales caused restricted wholesale demand.

Retail Sales: October figures are not available, but indications are that the month was not up to seasonal expectations. A buyer from a big New York department store stated that the department stores were afraid to stock up.

Automobiles: Production continued to decline at a more than seasonal rate but retail sales showed considerable resistance. Retail sales for the first two weeks of October ran well ahead of production.

Electric Consumption: During October the weekly gains ranged from 6 to 11 per cent above corresponding weeks last year.

Commodity Prices: The Irving Fisher wholesale all-commodity index as of October 30 stood at 7.15. The 1933 high was 72.2. During the last month agricultural prices dropped 8 per cent while the average of manufactured goods went up, thus further embarrassing the farmer. The purchasing power of the wholesale dollar has declined from 181.7 to 139.9.

Construction: F. W. Dodge figures show that September construction contracts gained 16 per cent over August, and were approximately at the level of September, 1932. This is the first month in which the 1933 total approximated the corresponding month last year. Most of the gains occurred in publicly-financed projects. Of further

significance is the fact that the September total of \$846,726,700 in new construction programs *contemplated*, is the largest monthly total since April, 1930. The territories in which the largest gains occurred included the Southeastern states, Chicago, Southern Michigan, St. Louis, Kansas City, New Orleans, and Texas.

The Sacred Cow of Tomorrow

President Roosevelt's statement that "we are thus continuing to move toward a managed currency" would in-

dicate that in the future we are going to be tied to commodities rather than to gold, and that the worker in years to come will be paid in terms of shelter, clothing and food and not in terms of gold. It is an interesting outlook and no one can tell whether it will, or will not, work, for exactly the same plan has never been tried before.

• • • According to Department of Commerce figures, world stocks of primary commodities are down from their peak levels of last year, and the trend for the first time in the past eight years is definitely down. The Department uses the average for the years 1925 to 1929 as a measuring stick, placing it as 100. On that basis, 1925 stood at 76 and each year thereafter there was an increase in the stocks, reaching 196 in April, 1932, and holding at that level throughout the Summer. These statistics, therefore, indicate that instead of enjoying real prosperity in the years following 1925, the world was really building a surplus of production over consumption which was bound to bring on a depression when the so-called saturation point was reached. The latest figure quoted by the government is for April, 1933, with the level standing at 187—still more than 100 points above 1925. The rapid increase after 1925 was due to a falling off in consumption rather than an increase in production. The figures indicate why the Administration is striving so valiantly to bolster the purchasing power of this country.

• • • Miss Perkins reports that average hourly earnings in September were 51.4 cents, or more than 3 cents above the August average, while working hours declined from 38.6 to 36.1. She further estimates that during the month 620,000 of the unemployed were returned to jobs.

• • • Here is the farmer's side of it: According to the Bureau of Agricultural Economics, the farmer after he has been to market and sold his products can buy only 61 per cent as much as he could before the World War. City prices are now 17 per cent above pre-war levels. Several farm prices are 29 per cent under those levels. To bring about a balance, farm prices would have to rise on the average 46 per cent, while city prices were standing still.

• • • The largest dollar upturn in box office receipts since the adoption of sound pictures has been experienced by motion picture theatres in recent months. Many sales managers have found amusement receipts to be an accurate index to sales potentials in individual cities.

• • • The Government now takes in \$1.71 for every dollar as collected one year ago. The beer tax has accounted for \$42,500,000 since June 30.

• • • The progress of plans for recognition of Soviet Russia opens up an important outlet—but it is likely to develop slowly because of credit difficulties.

• • • Under the limitation imposed by the authorities the amount of frozen bank deposits which will be released may fall below the billion dollar mark. The amount of deposits locked up in banks closed this year is estimated at \$3,000,000,000.

• • • Better business has caused the General Motors Corporation to decentralize operations. On April 1, 1932, Pontiac and Chevrolet were consolidated and likewise Buick and Olds. The President now states that business improvement justifies reinstating the separate identities. There is no change in the company's plan of having retailers handle two or more General Motors cars.

Chrysler's NRA Costs 7c a Share

Chrysler's third quarter net income was the largest for a like period since 1928, and exceeded the net profits in the third quarter of

1929 by 10.8 per cent. The corporation in the first eight months of the year increased its share of the total domestic passenger car business from 8.9 per cent in 1929 to 24.4 per cent this year. The higher operating costs imposed by the NRA code are believed to have cost shareholders only 7 cents a share in three months.

• • • Earnings reports released during the first 28 days of October showed that 223 corporations were better off than the same period last year, and 86 made a poorer showing.

• • • Industry was called upon by the NRA to increase employment and payrolls in advance of the development of profits and volume to fully warrant such increases, and because the movement got under way at a time when general trade was receding, many business heads find their companies currently operating at an unfit profit margin. Strikes have also added to uncertainty and the net result has been a letdown in sentiment, a curtailment in operations and a less-than-expected seasonal rise in trade. The important question now is, does the bulk of the business not done in recent weeks represent business *deferred* or business *lost*? If the country responds favorably to Mr. Roosevelt's recently announced plans, there is good reason for the judgment that November and December will compare far more favorably with the same months of 1932 than did September and October. If this happens, we will see a counter-seasonal rise in trade during the last two months of the year and in early 1934.

• • • For the first time since 1929 orders of the General Electric Company for the first nine months exceeded those of the corresponding period of the previous year, the gain being approximately 12 per cent. In the third quarter orders received totaled more than the sales billed—an achievement which had not been equaled in three years. Since the first of March the company has added 7,600 employees to the payroll, and the total payroll has increased \$17,000,000.

• • • President Roosevelt stated last week that he regarded the total of 4,200,000 as a conservative estimate of the unemployed which had returned to work since March 1. In his radio talk he stated that during the worst period of the depression, 10,000,000 people who really wanted to work were unable to find employment. Thus 42 per cent of the battle has been won.

Who's Now Who



*Mouquin and all General Foods
photos by Blank & Stoller;
Ungerleider by Acme.*

Left: Smith

Below: Brownlee



Food: General Foods Corporation has just done a lot of promoting. Among others, we learn that James F. Brownlee is now president of Frosted Foods Company (in addition to being v.p. of GF and president of GF Sales Company). Allen O. McGinnis, assistant to Mr. Brownlee, becomes sales manager for Maxwell House coffee; Frank Smith is in charge of Grape-Nuts sales and advertising, and Robert H. Bennett handles sales and advertising for prepared biscuit flour.

And Drink: Some of the men who will have extraordinary interest in what voters say November 7 are Louis H. F. Mouquin, D. W. May, Gordon Stewart and Samuel Ungerleider.

Head of Mouquin, Inc., New York, whose taste for wines and liquors has become quite fussy after three generations, Mr. Mouquin is now holding "wine schools" for hotel, restaurant and department store executives.

Mr. May, of May International Corporation, is supposed to have been the first to run a full-page advertisement on these beverages (in the *New York Times*, September 10). His company has written to the Bureau of Advertising of its "conviction that the advertising of liquor must be under control at all times," and suggests that the bureau appoint a censorship committee composed of, say, Alfred E. Smith, Dr. Nicholas Murray Butler and Adolph Ochs of the *Times*.

Retiring from the brokerage firm of Fenner, Beane & Ungerleider, Mr. Ungerleider becomes president and chairman of the board of Distillers & Brewers Corporation of America, 21 West Street, New York. Before Prohibition, Mr. Ungerleider was prominent in wine and liquor in Ohio, West Virginia and elsewhere. Park & Tilford, Gordon Stewart, president, has been probably the most "consistent" wine and liquor advertiser. His full page, naming prices, October 10, created quite a stir. Among the hard liquors, his Scotch whiskey is especially in demand.



Above: Bennett



Right: McGinnis



Above: Stewart



Right: May



Left: Mouquin



Above: Ungerleider



Executive committees made up of competitors cannot meet the new conditions brought about by the NRA.

Under NRA Steer A

When Mr. Norvell says that trade associations will be stymied unless they have an outside dictator, he speaks not as a theorist but as a practical business man who has taken an active part in several national associations. The average secretary should not be expected to meet the present unusual situation.

"We are in a new era to which I do not belong. When I read of the newfangled things that are popular now, I realize that my time in public affairs is past. I wouldn't know how to handle them if I were called upon to do so."—CALVIN COOLIDGE.

FOR many years the various industries, both manufacturing and jobbing, have attempted to help themselves by forming associations. The plan of these associations was to hire a secretary and then have the members of the association work out their salvation among themselves with the aid of this secretary.

Now, if there is any man in business who deserves the sincere sympathy of any industry it is an association secretary. The methods of the workings of these associations have all been against the developing of any initiative on the part of the association secretaries. When an association was formed, usually the man who was most active in bringing about the association was elected president. This first president was, as a rule, a man of some ability and energy.

Then an executive committee was elected, consisting of some of the leaders in the industry. These leaders, with the president and the secretary, were supposed to dictate the plans and policies of the association.

As time passed, the plan was to elect a new president every year or two, drawing men for the office from the various parts of the country. The retiring president usually became a member of the executive committee. After a while, these older presidents died off or became old men. Through passing the presidency around with impartiality, so that every member of the association would have a chance, frequently the quality of the presidents of these associations was decidedly below par.

Now, of course, the members of these associations were all in keen competition with each other; there were bitter rivalries and there was diversity of interest between large national houses and small local concerns. Naturally every secretary wished to hold his job; therefore, with these contending interests around him, he had to be an expert politician. Sec-

retaries soon learned that nothing was more dangerous in an association than some man with a new idea. Ideas are dangerous because people differ about ideas and differences lead to splits in associations; splits in associations lead to factions, and factions make the secretary's job very insecure. Therefore, it was the interest of every secretary to hold ideas down to a minimum and to keep aggressive, radical members in the background. So, for years and years, the associations of the country have met, discussed their troubles, and, as Mark Twain has said about the weather: "Everybody talks about it, but nobody does anything about it."

Twenty Years "Discussing"

I attended a certain association meeting some twenty years ago at Atlantic City. I listened attentively to their discussions; twenty years afterward I attended another meeting of the same association and again I listened to their discussions. The plain truth is that the members of this association, one of the largest in the country, were still discussing the same problems I had heard them talk over twenty years before. All these twenty years they had been "discussing," but, like the weather, nothing had been done about it.

During the War, business, of course, was stimulated; then for several years following the War there was good business in many lines, such—for instance—as building, hardware and tools. Everything was going along prosperously with manufacturers and distributors, with associations and association secretaries, until the fall of 1929. Then the bubble burst and things came to a head. Since then there has been a buyers' market.

About this time, also, manufacturers conceived the idea of mass production. Executives and sales managers believed by increasing their sales they could reduce the cost of production in manufacture. Therefore, in all directions—by all means, fair and unfair—in the past four years sales were forced. It was a buyers' market and the chiseler came into his own. Sellers

Codes Only a Mussolini Can Associations Straight

had no energy or backbone; prices were demoralized; quality of goods in many lines was destroyed. The more prices were cut, the harder it was to sell goods. With the value of inventories constantly declining, there was a buyers' strike; chaos reigned in the business of the United States. Associations and association secretaries, not having been trained along the right lines, did worse than nothing. The secretaries desperately held on to their jobs. Some associations disbanded; others were ready to fall to pieces; attendance at conventions fell off.

Problems Born of NRA

At this time of utter trade demoralization, when there seemed to be no leadership in industry, the United States Government took a hand, and the NRA with its codes was promulgated. Business had to be controlled; someone had to do the controlling. The Federal Trade Commission and the Sherman Law had taken all the courage out of business leadership.

Now, here is the question I have been leading up to in this article: Are these old secretaries in charge of associations able to do the job under the NRA codes? Please note what Calvin Coolidge said in the quotation at the head of this article. Coolidge, with all of his ability and experience, admitted that he had found himself in a new age with which he was unable to cope. Now, how about these executive committees and secretaries of associations; how about these association presidents? Remember that the members of all these associations are still competitors. They still remember things that were done in competition; they are covered with the scars of their battles with each other. They lack confidence and they lack faith, and this is not surprising. Stop and think what confronts these associations not only at present, in forming codes, but also in the future, in maintaining discipline in their organizations.

The Government is going to expect every association, first of all, to take care of its own affairs. Are they

capable of doing it? From my own experience, I doubt this very much. Stop and think of the legal aspects of the case; stop and think of the legal responsibilities of the various concerns. I have before me—and, if space permitted, I would list them—some of the many things that associations will have to weigh in developing their codes and maintaining them afterwards. It is a formidable list, the administration of which will require the greatest energy and the keenest intelligence. Then, what is the answer? Am I, like the rest, to write about the weather and do nothing about it? The object of this article is to express the opinion that the average secretary, being a paid employee of an association, is not the man to control the members of that Association, no matter what the degree of his intelligence. How can a man control the action of those who pay him his salary? Then, I do not believe that the training of a secretary over the past years fits him to meet the present unusual situation; nor do I believe that an executive committee made up of competitors is going to work satisfactorily in controlling an industry.

A Dictator for Each Industry

These opinions, based upon my own experiences in institutes and associations, lead me to recommend *that there be appointed a real dictator for each industry*. This man should be given a time contract and should be entirely independent, as far as his compensation is concerned, of any member or clique in the organization. He should have open to him all books, accounts and records of every member of the association. He should have the right to call witnesses; also to represent the association before the Government.

I also recommend a small Board of Arbitration for each industry, this board to consist of men not competitive in any form with any branch of the industry. To this board of arbitrators should be referred differences arising in the industry. Naturally, on this board of arbitrators there should be one or more lawyers because the

BY

SAUNDERS NORVELL

Former President,
Remington Arms Company,
New York City

legal aspect of the future of the NRA will loom more prominently.

The dictator suggested is to be the executive. When questions are referred to the board of arbitrators and they make their decisions, then the decisions are to be passed up to the dictator and it will be his duty to see that these decisions are put into effect. The duties of the dictator are to be executive; the duties of the board of arbitration are to investigate and pass upon differences in the industry. Such an arrangement should be tied up with legal agreement between the members of the association, covering a long period of time. This presupposes, of course, that all of such plans are first submitted to and approved by the Government. Probably the Government and even Labor will expect representation in this form of control of each industry.

This article is not written as a criticism of association secretaries. Many of these secretaries I know personally and I have a high regard for their ability, intelligence and the conscientiousness with which they are working on their jobs. I have discussed the new situation with several of these secretaries and they have frankly told me that they have been placed in a very difficult position.

The Problem of Discipline

As I have said before, the Government expects the various industries first of all to take care of their own affairs. Problems are only to be referred to the Government when the association itself admits its lack of ability to work out or handle these problems.

Now suppose a leading member of an industry, possibly even the presi-

(Continued on page 457)

Watch these Infant Industries in 1934

BY

CHUDLEIGH R. LONG

Whenever a new industry develops, it means, first, that somebody will profit by the new marketing opportunities opened — second, that older industries will either face a new competition or be wiped out completely.

AS little as six months ago it would have seemed inexcusably foolhardy—if not, indeed, slightly indecent—to discuss the possibility of selling new ideas and new products to the impoverished and dejected American public. But now, with General Johnson's blue eagle preening his feathers over a nation going back to work, it may be permissible to look at some of the depression-nurtured products that may provide much of our future sales activity.

According to more than one reliable business prophet, the greatest potential giant on the near-horizon of industry is air-conditioning equipment. Even the least observant must have noticed signs of this trend. On a hot day last August nineteen different adver-

tisers in a single issue of a New York newspaper told of the seductive comforts of their air-conditioned theaters, restaurants, stores, railroad trains—with the emphasis on the cooling angle, of course. "Artificial atmosphere" is for sale by dozens of leading manufacturers, including some of the largest corporations in the country—and for dozens of different purposes. You can buy clean air, cool in summer and warm in winter, for your home, office, shop, private car or yacht. You can laugh at the calendar and pay for your equipment out of money formerly spent for weather-dodging trips to Canada and Florida.

A single conditioning unit, combining fan, heater and refrigerator, will take care of year-round temperature needs. For smaller installations, these units are self-contained and compact, and can be simply "plugged in" to the nearest electrical outlet. A typical one of this sort will condition 5,000 cubic feet of space (a room 20 feet x 25 feet x 10 feet, for example) and costs \$500. That seems high, but the average electric refrigerator cost as much a few years ago. Perhaps air-conditioning equipment will go through the same price cycle. It seems not unlikely, in view of the tremendous potential market in stores, hotels, office buildings, restaurants, theaters, trains, factories and private homes—to say nothing of automobiles, for which a conditioning unit has recently been developed. Electric companies, strangely enough, have evinced little interest in promoting public demand for air-conditioning, although they stand to benefit by the great majority of installations.

Will that new electric refrigerator that you bought this year—and the 5,000,000 others sold in the last ten years—be obsolete by 1935? If so, you can blame "dry ice"—that remarkable cooling medium born of a British doctor's distaste for the lukewarm whisky-and-soda served him in the iceless interior of India, and which chemists and engineers wrestled with for twenty-five years before they could make it commercially practical. Today you can get cakes of "drug store snow" from plants throughout the country. Its 100-below-zero temperature makes other refrigerants seem warm. It can be used to cool your refrigerator, carbonate your drinks, fill your fire extinguisher, inflate your automobile tires. So far, the ice cream industry has benefited most by its use. Formerly, a delivery truck carried 1,000 pounds of ice and 200 pounds of salt to preserve its pay-load of 500 gallons of ice cream. Now the 1,200 pounds of ice and salt can be efficiently replaced by 50 pounds of solid carbon dioxide. The old five-gallon tub of "cream" with its ice and salt weighed close to 150 pounds. Today a neat paper carton brings you the five gallons packed in a few pounds of "dry ice"—a total weight of less than 40 pounds, and your ice cream reaches you in better condition.

Meat packers, too, are using "dry ice" more and more. It is going into refrigerator cars. It will harden metal, or shrink it for fitting; and chill rubber so that golf balls can be trimmed



Photo courtesy "Construction Methods"

This seven-room house with enameled steel exterior, erected at the Chicago Century of Progress Exposition, symbolizes an important new type of competition for brick, stone, wood, wallboard, and a long list of other conventional products now sold to the building field.

and balanced to the ultimate degree of nicety. And as its use and production grow, its cost comes down. At least one company is now seeking licensees to manufacture "dry ice" refrigerators for domestic and commercial use, stating that such a refrigerator "of equal quality can be produced and sold profitably for a lower price than an electric refrigerator. Operating cost is much less than for electrical units of equal capacity. . . . It has been in successful use in Europe for over four years." So maybe your refrigerator-buying days are not yet over!

What is the future of the Diesel engine? How will it be affected by the growing clamor for reduction of utility rates? Diesel manufacturers claim many advantages for their products over other types of prime movers—smaller operating and labor costs, greater flexibility to provide for fluctuating loads, smaller and less expensive housing, simplification of auxiliary equipment are a few. Some users report remarkable savings in contrast with other methods of power generation and with purchased power. Office buildings, hotels and department stores have made some notably successful installations. Many of the medium-sized and smaller cities have shown a lively interest in Diesels for municipally operated power plants—another outgrowth of current anti-utility sentiment. A recent issue of a power plant publication carried sixteen separate news items about new municipal plants under construction or planned, a large proportion of which will be Diesel-powered.

Innovations in Travel

Then there's the Diesel-operated "railroad bus"—joint offspring of bus, wheel, tire and engine manufacturers. Pioneered by Jules Hauvette Michelin, of the French tire company, the new vehicle holds out fresh hope to hard-pressed railroads. It rides on flanged pneumatic tires; is built of stainless steel and weighs 11,000 pounds against the standard Pullman's 150,000; can attain speeds up to 100 miles per hour with a 90 h.p. engine. Its makers say that it provides easier riding, cheaper operation, and an almost complete elimination of the usual railroad train noise. At least one such vehicle is in regular service on a large eastern road, and a careful record is being kept of all its advantages and disadvantages.

Slightly behind Diesel locomotives and ships in their present stage of development are Diesel-powered airplanes, automobiles and trucks. But

where is the hardy seer who will deny that they have even greater future potentialities?

Optimists in the steel industry are looking to a predicted vogue for all-steel houses to lead them out of the wilderness of small sales and large production capacity. And there seems some reason for this optimism. Two decades of experimenting have brought the steel house to a high degree of livability. Properly insulated, it offers a number of advantages over the present popular types of construction. It is fire-proof and vermin-proof—or comparatively so; it has strength to resist storms and earthquakes; it can be erected with a minimum of labor, time and wastage; it costs little or nothing for upkeep.

Competition for Bricks

The great United States Steel Corporation itself has recently displayed an active interest in the steel house and its possibilities. Smaller companies have been experimenting and propagandizing in the field for some time. Several excellent examples of metal residences have been on display at the Chicago exposition; several hundred have actually been built and occupied—satisfactorily, it is reported—in various parts of the country. Possibly the acetylene-welder will replace the carpenter as the symbol of the construction trades!

Household Washer "Boom" Causes Laundry Men to Start Campaign

To combat the rising sales of household washers during the last four years to women who formerly had "help" or laundries perform these functions, the Laundryowners' National Association of the United States and Canada, Joliet, Illinois, will begin soon a trade and consumer advertising campaign.

Specifically, the campaign will emphasize that certain wash fabrics have been laundry tested and approved by the American Institute of Laundering, operated by the association.

Two converters—Robert McBratney & Company and Turner Halsey Company, both of New York—already are employing the "laundry-tested" label. Other producers of washable materials may use the phrase after testing arrangements have been made. For an experimental period, however, said George H. Johnson, director of research of the association, tests will be limited to licensees of the Sanfor-

Just a few weeks ago a news dispatch reported that "The Mellon Institute, preparing for an era of all-metal homes, announces a new marble-surfaced steel." This effect is obtained by providing the metal with an inseparable surface of laminated resin, which can be made to simulate stone, brick, wood and various other decorative finishes.

These are but a few of the possibilities that hold forth bright promise for post-depression industrial activity. There are innumerable other highly interesting new products—flashlight bulbs that take pictures in the dark, with no "flash"; threads of latex encased in silk and cotton and used for bathing suits, corsets, hosiery and other snugly fitting garments, and for pneumatic tires; a "one-way" window glass that permits those on the inside to look out while preventing those on the outside from looking in; and gear-shiftless automobiles, to name a few.

Not all of these new products are yet ready for commercial exploitation; some may never reach that stage of maturity. On the other hand, many are already on the way to established success, and others are on the verge of stepping out with fanfare of trumpets and spreads in color. Anyway, it looks as if there will be plenty for us to do in selling new ideas to the consuming public, as soon as consumption is resumed.

ized-shrunk process controlled by Cluett, Peabody & Company.

"For many years," he pointed out, "laundries have had to 'take the rap' for fabrics advertised as washable, which shrunk, faded or fell apart while being laundered. . . .

"We will receive at our laboratories in Joliet sample swatches of each lot of material as it goes through the converter's plant. All cases of excessive shrinking or fading under actual working conditions will be reported to the converter. Also 15 or 20 laundryowners in different parts of the country will purchase each month at retail, and at the converter's own expense, stock garments from fabrics carrying the approved seal. These will be sent to the institute for thorough tests."

Byron G. Moon of Byron G. Moon Company, New York, will serve as sales counsel for the "laundry-tested" program.

The Spot-Light on Washington

The Retail Code



The retail code as signed by the President seems decidedly ambiguous. The conflict between the wishes of independent storekeepers and the chains and their allies, the price-cutting department stores, resulted in compromises which seem to render the loss limitation provision a meaningless jumble of words. The code says, for example, "the selling price of articles to the consumer should include an allowance for actual wages of store labor." Why does it say "should" instead of "must"? It would seem that moral suasion rather than outright law is to be used to restrain loss leader selling. We wonder whether such polite language will be taken seriously by those who *want* to cut prices.

A "trade authority" is to establish the percentage for the actual wages of store labor and if the Harvard University figures on payroll expenses are reliable, the labor allowance is likely to be much higher than the 10 per cent figure originally requested. For example, in 1932 the general average of payroll expense in all department stores amounted to 18.7 per cent of net sales. About half of this figure represented the wages of salespeople, floor superintendents and section managers, and the balance covered executive salaries and the wages of non-selling help.

The word "cost" itself is not defined by the code, and one New York store executive said the other day, "Rather than clarifying the picture, the new phraseology bemuddles the issue, and the result, I fear, will probably be many more weeks of acrimonious debate."

It is optimistically estimated that upwards of a million new jobs will be provided in the retail field under the code as conditions improve, but no such increase is in the immediate offing.

Chain stores seem to be singled out for discriminatory attention, as the code exempts only *locally owned* retail stores employing five or more people in towns under 2,500.

Control

"Control" seems to be the keyword of the Administration. Control of

industry is strengthened in the presidential proclamation of the week emphasizing the penalty provisions for failure to comply. Control again is emphasized in discussions of standards for industry with the Federal Government as the policeman to see that standards are followed. Control in agriculture is seen not only in acreage and production, but is ramified into trade agreements and control of prices for various commodities. Further control of food and drugs in the interest of health will be a major discussion at the next session of Congress when the Tugwell Bill is introduced. The government trend toward bank control is seen in the capitulation of New York banks in the matter of the sale of capital notes of the R. F. C. as a part of credit expansion program and the strengthening of bank resources. Regulation and control of speculation securities and commodities are expected from the next session of Congress. *Control* is a necessary marching partner with *planned economy* toward which the Administration is marshaling its forces.

Production Control

Of tremendous importance to business is the ruling, first applied to the cotton textile industry, which requires specific government approval of the purchase of new productive equipment or the construction of new textile factories. This is part of the general program of planned economy designed to prevent overproduction in the future. There is no way to get around General Johnson's order, because anyone entering the textile business has to go in under provisions of the code.

An Incongruity

The country was definitely low-tariff minded under the high-tariff administration of Hoover. It seems now to have done a complete about-face under an administration which was elected on a low-tariff platform. With the emergence of the NRA program and its increased costs for domestic manufactures, it is unlikely that there will be any horizontal leveling of tariffs in the near future. On the other hand, the President has clearly indicated that he will guard against the influx of lower-priced competitive foreign goods.

NRA Lumber Costs

Lumber manufacturers have expressed real enthusiasm for what NRA has done for them, and it is interesting to study their cost figures. Out of 735 establishments whose statements cover identical periods for July and August, the figures show that in September they employed 5 per cent more workers subject to code wage changes, but that these employes had a decrease in working hours of 16½ per cent. Notwithstanding this marked reduction in total working hours, the total wages increased 13 per cent. The weighted average per hour of lowest wages paid jumped from 22.3 cents in July to 33.9 cents in September, or an increase of 52 per cent.

A Retailer Speaks

A strong plea for more aggressive selling and advertising on the part of retailers and for 100 per cent support of the entire retail industry in both the letter and spirit of NRA was voiced by Ward Melville, president of the National Council of Shoe Retailers, Inc., in a letter to the presidents of all national retail trade associations. An interesting excerpt from his letter: "The basis of the entire program—the foundation on which it must all rest—is not only increased buying power but the exercise of increased spending power."

"Of course it is impossible to increase the consumption of a man who has no money to spend. But for the past three months the purchasers of consumer goods have not by any means kept pace with actual increases in total consumer income. This is definitely shown by every reliable index of income and of retail sales."

"We could not, of course, expect consumer goods to absorb all such income increases. Some part of the increase, and a very considerable part, we may expect to go into savings and into the payments of debts. But the gap between actual increases in income and the dollar sales of merchandise is so considerable that there is unquestionably a big field for an immediate advance in retail sales."

"An increased buying power is there. If the retailers of this country will go after it, and make it increased spending power—and if they will back

(Continued on page 461)



Archie Andrews

ARCHIE M. ANDREWS deals in thrills in a big way. Success or failure, there is something of the Arabian Nights in everything he tackles. The first time we met him, five years ago, he was a multi-multi-millionaire, introducing the thrill of the Ruxton, America's first front-wheel-drive car. . . . Next, with a scale of modernistic machinery and design, he set out to make the mere weighing of oneself an exotic experience. . . . Between picking up a couple hundred thousand shares of Trans-Lux and introducing a nickel package of cigarettes, he is said to have lost \$17,000,000 in the stock market decline of Hupp Motors. He is still a large Hupp holder, however. . . . Then there is that \$21,000,000 suit he has pending against the New York Stock Exchange, because the exchange sought to prevent his efforts to corner the odd-lot market. . . .

Despite his losses, Mr. Andrews must still be prosperous. Despite the promiscuity with which he has given birth to new enterprises, he has managed to follow through, or at least to get his investment back, on some of them. Wall Street distrusts him, but he has friends in Washington. His best ally is his own infinite resourcefulness and daring. To him there is nothing strange about his enterprises. He is a promoter. He takes chances. Sometimes it pays.

The chances, for instance, look pretty good just now for Platinum Products Company, 521 Fifth Avenue, New York City. With Lektrolite, "the flameless mystery lighter," he is capitalizing on catalysis. When we got back to the office we found that catalysis means a chemical change brought about in a compound by an agent that itself remains stable. The agent in this case must be oxygen in the air. The catalyst, name and ingredients undisclosed, is 110 years old

Andrews Finds New Bonanza: 50,000 Unit-a-Day Volume from \$5 to \$300 Lighter

BY LAWRENCE M. HUGHES

and is used commercially for making formaldehyde. Mr. Andrews' company has acquired rights in this country to the use of this catalyst. The company also owns patents for a lighter based on it. Take off cap of lighter. Place end to cigar or cigarette. Inhale. And presto! A light!

As Mr. Andrews expected, Lektrolite created more excitement in social circles than anything since Walter Winchell. Priced at \$5 to \$300, it has aroused the cooperation of 2,500 of the nation's better stores, most of which have been sold since June 15 by direct mail. Jobbers just added have increased the number of outlets to 10,000. Personal sales work also has been helpful, in New York, Chicago and on the Coast. So, too, is advertising in newspapers of ten cities, in the *New Yorker*, *Fabrics & Fashions* and *Esquire*. By the middle of November Mr. Andrews hopes that the six factories which have been called in on the job will be able to turn out 50,000 lighters a day. By Christmas he expects total sales in these first six months to have passed 1,500,000. In December, too, a national campaign in many more newspapers and magazines is scheduled to start. In September the company introduced a combination lighter and pencil at \$5, but the bulk of sales are still in the straight lighters. Of course, more of these are being sold at \$5 than \$300.

The lighters are available in a variety of shapes, metals and colors, many designed for specific gift purposes. There is, for example, the sportsman's model, solid gold, engine turned, with club insignia, for \$75; the Petite, a midget model in chrome satin, ranging from \$5 to \$60.

Department stores, as well as jewelry, stationery, sporting goods and other stores—and hotels, clubs and tobacconists—are now on the company's list. To mention a few of the dealers alphabetically so as to avoid possibility of prejudice, there are Best's, New York; Bullock's, Los Angeles; City of Paris, San Francisco; Marshall Field, Chicago; Filene's, Boston; Gimbel's, New York, Philadelphia, Pittsburgh and Milwaukee; Halle Brothers, Cleveland; Joseph Horne, Pittsburgh; J. L. Hudson, Detroit; I. Magnin, San Francisco; R. H. Macy, New York; Jordan Marsh, Boston; Maison Blanche, New Orleans; Stix, Baer & Fuller, St. Louis; Strawbridge & Clothier, Philadelphia; John Wanamaker, New York and Philadelphia; Woodward & Lothrop, Washington.

Most of the stores are active in promoting Lektrolite in window displays and in newspaper advertising. Among these are Abercrombie & Fitch, New York, Field's, Hudson's, A. G. Spalding. Space worth thousands of dollars a foot is being given to this

(Continued on page 459)



Photo courtesy W. L. Stensgaard and Associates, Inc.

How Spalding's Fifth Avenue store makes effective use of Lektrolite display material.

Pricing Goods to Protect Profit Under NRA Costs

Mr. Rucker Answers Some Objections

Here are several of the objections raised to the theory expounded in Mr. Rucker's article, by several company officials who read the article before publication. They have been answered by Mr. Rucker. If you have any questions or objections, please do not hesitate to put them in a letter to THE EDITOR.

1. "Accountants who specialize in sales accounting believe that the method of figuring costs outlined at the beginning of the article is an exceptional rather than a typical case, and that not more than one manufacturer out of a hundred would add only \$2 to the selling price if his factory costs per unit increased \$2. In other words, the typical manufacturer would add intangible costs, and if this is true it is probable that the net profit would be the same or greater."
- Mr. Rucker: "Exactly . . . every firm would add its regular percentage of gross profit to cost, thereby pyramiding the actual increase in cost. Bear in mind that the President's re-employment agreement directly specified that costs were not to be increased more than the actual increase to the manufacturer. The law is very plain on this point—my illustration is based on the assumption that the law is obeyed, not violated by following old customs. The law prohibits the manufacturer from adding or making a profit upon increased costs in no uncertain terms."
2. "If production costs continue to show quick variations as the result of NRA codes and inflation, can these fluctuating profit margins be figured quickly enough so that they are really practical as the basis for compensating salesmen?"
- Mr. Rucker: "It does not matter how costs fluctuate—my contention is that sales cost must not exceed a certain percentage of gross margin. In fact, that is just the point—if because of rising costs and narrowing margin, salesmen will get less in dollars, they must increase their efforts to maintain the firm's net profit. Profit must be protected—to do that total sales costs must not exceed a certain percentage of margin. If margin declines and salesmen get fewer dollars, they must improve their efforts. Sales costs based on a percentage of dollar sales hide the vital point—profits. By basing sales costs on a percentage of margin, we get right down to brass tacks."
3. "You refer to the setting of advertising appropriations in percentage of sales as a 'fallacy.' This may be true, but it is certainly a broad statement. Many leading advertisers say the only practical method they can find of conducting advertising is to base it on a percentage of past sales or a percentage of estimated future sales, or to disregard the sales volume entirely and appropriate an amount for advertising which in their opinion is sufficient and necessary to do the job which they set out to do. It seems that your method might theoretically be good, but highly impractical, because it would result in a constantly fluctuating amount to be spent for advertising which would make consistent campaigns well nigh impossible."
- Mr. Rucker: "What is said in reference to salesmen applies to advertising with equal force. I know that most manufacturers have not been able to find a more practicable method than that of making the appropriation some percentage of past or hoped-for sales—my principle is therefore new and something that is needed.
"I believe the method is practical as well as theoretically sound. Of course it may result in a fluctuating amount to be spent for advertising, but that fluctuation will be in direct ratio to the effectiveness of advertising. Such would make impossible only those consistent campaigns which are unproductive; really effective campaigns would simply have to become more effective as the margin narrows; that is all.
"The answer is not to change the advertising appropriation, but to change the effectiveness of the advertising as margin narrows. The end of advertising is not to achieve a uniform dollar expenditure, nor to be merely a consistent pressure—the end is to effect sales at a profit. My method discloses at any frequent interval, day, week, month, quarter or year, when advertising and selling are profitable and when they are not. The old method doesn't."

Part II of an article in two parts

B Y

ALLEN W. RUCKER

President, The Eddy-Rucker-Nickels
Company, Marketing Counsel,
Cambridge, Massachusetts

RELATIVE efficiency and value of salesmen are plainly not to be determined by measuring salary and expenses against dollar sales. The explanation is that the gross profit margin on various lines always varies, not only among the lines, but also from year to year. In the instance illustrated by the chart, the gross margin on the six lines sold varied from 14 to 37 per cent of dollar sales. Take two salesmen with nearly equal dollar volume, and practically the same sales cost, but one with an average gross margin of 18 per cent on sales and the other with an average margin of 25 per cent on sales, and the difference in true sales cost of the two men is at once visible:

	"A"	"B"
Salesman	Salesman	Salesman
Dollar Sales	\$50,000	\$48,000
Gross Margin on sales ..	9,000	12,000
Sales cost, salary and expense	6,000	6,000
Pct. Sales cost to Sales..	12%	12½%
Pct. Sales cost to Gross Margin	67%	50%

Salesman "A" is 30 per cent more costly than Salesman "B," despite the fact that both had about the same dollar sales and the same salary and expense cost.

To correct that situation it was simply necessary to set up a profit budget, limiting sales cost to a certain ratio to gross margin. That at once eliminated differences in results due to variation in the gross margin on the six lines of products.

The fallacy of setting advertising appropriations in percentage of sales leads to equally as misleading conceptions, sometimes more so than in the matter of sales expense. One manufacturer expressed himself to the author as being well satisfied to keep his advertising cost at the average percentage for the industry, namely, 5.5

... to spend TODAY?

According to the latest Starch figures*
1,000,000 LITERARY DIGEST families
have money to buy your product now!

IMAGINE IT! A group of 1,000,000 reader-families — solid, substantial, and influential — with money to spend now — reached at a cost of 1/5c. per family.

Promotional day dreams? Not one bit. Facts! Accurate, reliable, unbiased facts — based on personal interviews with the readers of 60,000 magazines in a survey conducted by DR. DANIEL STARCH. Current, up-to-the-minute, 1933 facts—"based on field work conducted during the twelve months from May 1, 1932 to April 30, 1933."

They are good, worth while prospects, these 1,000,000 reader-families of THE LITERARY DIGEST — the kind you want to reach. They spend their money on cars, homes, gardens . . . on books, investments, travel. They spend it, in short, on precisely the products which you, as an advertiser, are trying to sell.

And they have plenty to spend! 205,000 of the 1,000,000 LITERARY DIGEST reader-families have annual incomes of \$5000 or better. 567,000 of them have annual incomes of \$3000 or better. No other magazine of comparable circulation approaches these figures!

Low cost of reaching the richest audience makes DIGEST year's best buy!

They are the kind of folks who exert worth while influence on the buying of others. They are doctors who advise what brand of aspirin, store-owners who recommend this or that tooth paste, executives who say what make of equipment will be installed.

27.9% of the 1,222,303 men who

read THE DIGEST and 10% of the 1,084,951 women, are in the professions; 26% of the men, and 3.4% of the women, are executives and proprietors — a valiant band of 804,204 missionaries to preach the gospel of your product!

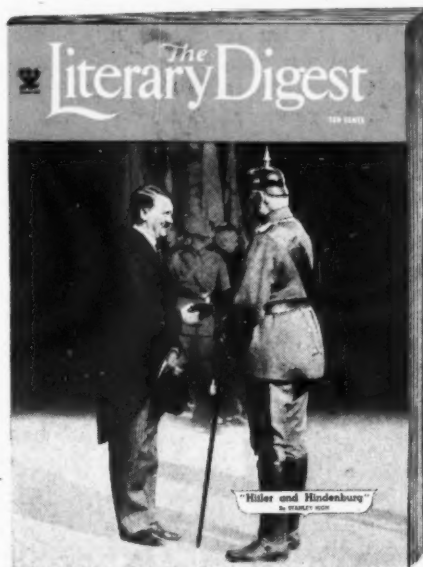
And you can reach this tremendous market, this powerful "Monied Million," economically — for THE DIGEST costs less per page per 1000 readers per \$1000 income than any of the other thirteen leading magazines.

Will they see and read your advertising? THE DIGEST leads in low cost for visibility per 1000 readers per \$1000 income, and in low cost for advertising read "most" per 1000 readers per \$1000 income.

Will they respond to your advertising? A series of surveys conducted for DIGEST advertisers this year has — in every case — indicated a dollar's worth of results for every dollar spent.

Send for copies of these surveys. Then reserve your DIGEST space and make the "Monied Million" the first million to reach in your 1934 plans. THE LITERARY DIGEST, 354 Fourth Avenue, New York.

* The figures used herein are based on Dr. Starch's latest report of media effectiveness and their accuracy is verified in a letter from the Starch organization.



for 4/5c apiece in **The Literary Digest**

per cent of sales. A few hours' work with his operating statements for the preceding five years revealed the rather disconcerting intelligence that in some years he was spending some 70 per cent more money for advertising than he should, and in others as much as 40 per cent too little. In that line, raw material prices are subject to rather violent fluctuations, whereas selling prices must be maintained relatively stable. The resulting expansion and contraction in the gross dollar margin, with expenses fixed in percentage of sales, created an extremely erratic record of net earnings.

The solution, immediately reflected in an improved earnings record, was simply the profit budget, by which all expenses other than direct production costs were fixed in percentage to the gross margin. The proper ratio of advertising cost to *gross margin* was found to be 8 per cent and sales cost 30 per cent of margin. Thereafter no attention whatever was paid to sales and advertising cost in relation to sales; control was exercised by comparing monthly performance against the standard set by the profit budget.

Fool-proof Profit Budget

Once this principle of relating all distribution costs to gross margin rather than to dollar sales is fully understood, profit control and sales cost control becomes simplicity itself. The line of business, whether beverages, food products, chemicals, machinery, household appliances, or what not, makes no difference. Nor does the function of the business—manufacturer, wholesaler, or retailer—affect the principle. A striking case in point was that of a distributing organization.

Losses from operations continued over a four-year period, despite sales incentives, bonuses and every device supposed to lower selling costs. All these methods were discarded, and, with them, the usual quotas. In their place, the following simple control method was installed:

Salesmen were given no fixed quotas. They were told that their quotas consisted of a ratio, namely, four dollars in gross profit on sales for every one dollar paid as compensation; that each man might set his own quota by multiplying his hoped-for compensation by four. A man expecting to earn \$3,000 in salary a year was automatically shown that he had set his own quota, namely, \$12,000 in gross margin on sales. If his expectancy ran higher, say \$4,200, his gross profit must rise accordingly to \$16,800. The firm then merely in-

dicated the minimum and optimum gross profit expected from each man by saying that it did not expect to retain salesmen who could not earn as much as \$2,400 a year as personal compensation, with optimum or expected earnings of \$3,000 a year. Under this plan, the distributing organization began to show black ink in four months, despite the adverse conditions prevailing at the time.

From the study of the operating statements of firms in something over thirty different industries, the figures in all cases covering five or more years, the author has yet to find a single instance where the standard practice of measuring expenses in percentage to sales did not result in a direct loss of net profit.

And he did not find a single instance where the fixing of selling, advertising and administrative costs, and net profit in terms of percentage of gross margin, did not very shortly show substantially increased earnings.

Sunday News Sale Hits 2,000,000; "Tribune's Baby" Is Growing Up

The *Chicago Tribune* contributed rather generously in men to the World War. Both Colonel Robert R. McCormick and Captain Joseph M. Patterson, publisher and editor, were in the AEF. Some 300 other Tribunes saw military service. Each of these had been promised his job back.

This sudden excess of manpower after the war caused the Colonel and the Captain to look about for new fields to conquer. Returning home, Patterson called on Lord Northcliffe in London and was shown his publishing properties. Northcliffe was proud of his tabloid *London Mirror*; optimistic of the future of brief, pictorialized journalism. Patterson was impressed. He told McCormick.

But they had not agreed on a tabloid paper yet. Seeking work for their excess manpower, they tried to buy a paper in New York. The good ones weren't for sale and the poor ones cost too much. When Frank Munsey was ill they almost concluded negotiations for his New York papers. But Munsey recovered, and wanted to keep them. Unable to buy a paper, the two decided to start one. The tabloid idea bobbed up again, and was accepted. McCormick remained in Chicago as publisher of the "world's greatest newspaper," and Patterson took charge of the new *Daily News*. On June 26, 1919, astonished New Yorkers greeted it.

The resulting profit budget is easily the most useful tool a business can have. The rise of production costs caused by operation of the Industrial Recovery Act has not only narrowed gross margins—but at the same time has made worse than useless, and often positively dangerous, the use of percentage-to-sales records.

On the other hand, the profit budget with fixed ratios of all expenses, sales and advertising included, to gross margin of profit above production costs, assures an absolutely certain control over all fixed and variable distribution costs. It provides, at the same time, a positive measure of efficiency of individual salesman and the basis for an equitable sales compensation policy. And, finally, the profit budget, when soundly determined, brings advertising into balance with profits. The author has yet to find a business, regardless of product or function, which cannot be materially benefited by this simple principle.

Of course, small-size newspapers were not wholly a novelty. Since the days of Ben Franklin they had been off and on the American scene. But the conception of this one was novel enough. In addition to convenience of size (New York was getting pretty populous then; the subways were crowded, and New Yorkers were busy or thought they were), the *News* introduced pictures to "tell" as well as to illustrate the stories. Snappy, dramatic heads helped.

To get newsy, human interest photos and dramatic heads, there had to be speedy coverage of events, especially with the cameras. (The *News* has 28 cameramen, 75 reporters, now). Then, to develop continuity of interest, there had to be features. Especially, there had to be features of cumulative interest, like contests, and stories and comic strips, with day-to-day "suspense" in them.

Even more than prompt and vivid coverage of events, the features have made the *Daily News*. They have helped the daily circulation to rise in fourteen years to 1,450,000, or an average of 100,000 a year; and the Sunday, in twelve years, nearly 200,000 a year.

In September of this year the *Sunday News* had 1,840,000. On Sunday, October 1, the comic section was increased from 8 to 16 pages. And on

(Continued on page 462)

It's True....

An editorial by Paul Talbot in the United Business Service of October 21st, 1933, seemed to us so applicable to Indianapolis and the Indianapolis Radius that we take the privilege of quoting directly from it. . . .

"It is true that our people are spending less—that they have saved and scrimped. But in general, they are still consuming—our stenographers still wear silk hose and permanent waves—our streets are still crowded with moving automobiles—our movies are still well filled.

"No—there isn't a wolf at every door, and to those of us who are on the selling and distribution side of business, it becomes a job of finding the right doors."

The job of finding the right doors in Indianapolis and its radius is not at all difficult. The Indianapolis News has been going in the *majority* of them for twenty-five years. And inside these doors, The Indianapolis News receives the warm welcome and confidence of old friends . . . the reader confidence and response a newspaper must have before it can sell the product of its advertisers.

NOW is a might good time to enter the right doors with The Indianapolis News!

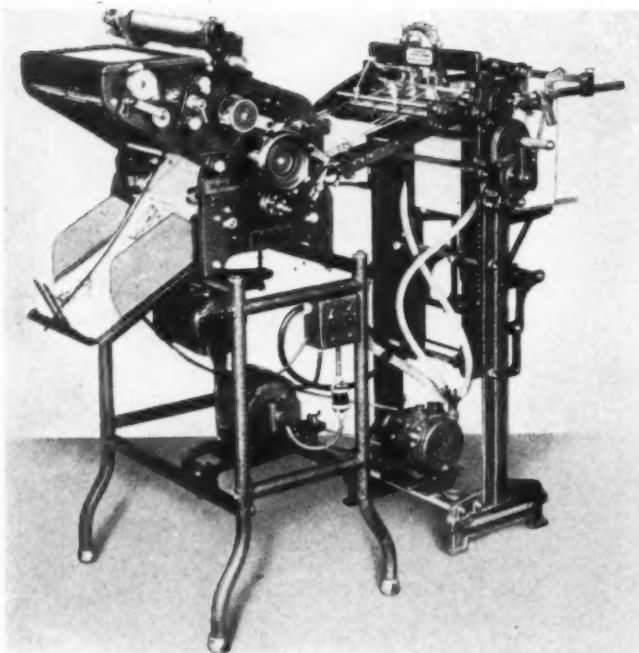


THE INDIANAPOLIS NEWS

SELLS THE INDIANAPOLIS RADIUS

New York
DAN A. CARROLL, 110 E. 42nd Street

Chicago
J. E. LUTZ, 180 N. Michigan Avenue



New Sales Tools in the Spotlight at the National Business Show

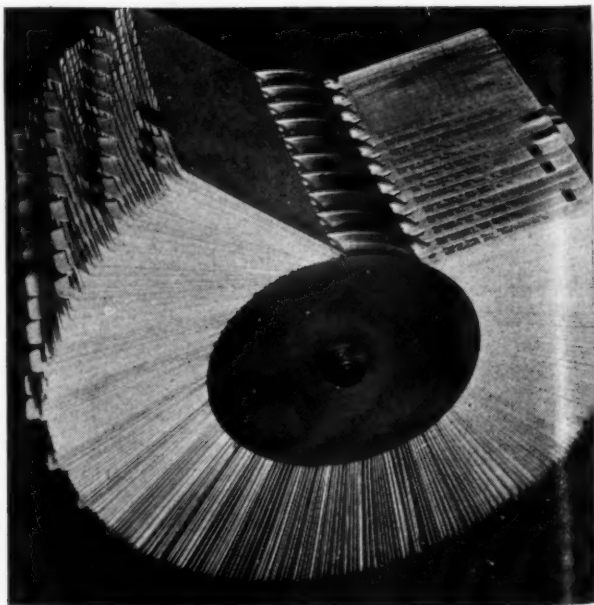
Multilith, made by the Addressograph-Multigraph Corporation, brings lithography within the scope of layman utility. It reproduces photographs, newspaper and magazine clippings, maps, graphs, charts, direct typewriting, pen sketches, crayon sketches, etc., quickly and at reduced costs. Can be had in two sizes: small or heavy duty.

Companies that use a variety of sales letters to many types of customers and markets will be interested in the new Electromatic typewriter installation of the International Business Machines Corporation. This all-electric typewriter transfers a major share of the typing work from the typist's fingers to a small electric motor. The typist can fill in the name and address or a lead paragraph individualized to the type or status of customer and the whole letter looks as if it were individually typed. In these days of selective selling and specialized sales appeal, the electromatic installation may serve to help build sales economically.



For visible card cabinet users here is a new safe made by the Acme Card System Company. Its door opens out, slides under the safe, and is controlled by concealed spring levers. The safe is equipped with a roller shelf which brings the contained visible cabinet units out flush with the front so that the records can be worked on while they are in the fire-protected housing.

Wheeldex has now applied the visible index principle to its unique system of filing. Three thousand cards fit the wheel shown. More can be added by simply increasing the number of rings.



*A **LOT** of ADVERTISING for a LITTLE money*



Meyercord All Purpose Signs ~ even more permanent than the best hand painting ~ are applied on your dealers' windows...



...on your dealers' doors...



on your salesmen's cars



...on your

delivery equipment



...on show cases



...on panels of cardboard, metal or

wood



...in fact on any smooth surface.

When you consider the low price at which these Quality Signs are purchased...and that the life of the sign is measured in terms of years, not months, you'll agree that you're getting A Lot of Advertising for Little Money! That's why hundreds of firms are using them today.

THE MEYERCORD CO.

208 W. Washington St., CHICAGO

DECALCOMANIA TRANSFERS

For Windows, for Tops-of-Windows, for Trucks, for Name-plating, for Decoration

LET OUR ART DEPARTMENT CREATE A SIGN FOR YOU. INQUIRE NOW.

Eureka Sells Housewife, But Dealers Collect and Deliver

Two years ago the Eureka Vacuum Sweeper Company dropped its house-to-house salesmen and concentrated on selling through stores. Now, convinced that the times will reward direct action, Fred Wardell, 67-year-old president and pacesetter, is re-establishing his direct force and expects soon to have 2,000 to 4,000 men in the larger cities. Says Mr. Wardell:

"During the past two years we have confined our sales chiefly to department stores and public utilities. But vacuum cleaners don't sell very readily over the counter. They must be demonstrated in the home.

"Our dealers don't have outside salesmen, as a rule, and few of them are prepared to organize, train and direct the necessary personnel to promote an adequate campaign. So we decided to do the selling for them.

"We will sell through our dealers, but we'll recruit, train, direct and pay the retail salesmen. We will make the sales for the dealers, then sell them the merchandise to fill the orders we hand over to them.

"There are several reasons for that. In the first place, if we should go to a dealer and ask him to place an order for as many sweepers as we think his territory will absorb within a given time, he would promptly object that he couldn't sell them. He couldn't, either, simply because he doesn't have the sales organization and is not in position to develop or operate one. But if we sell them for him, he will buy them.

"We not only do the initial selling for him, but we further agree to resell any that he has to repossess or that are returned.

"We sell for the dealer, in his name; he passes on the sales contracts, makes the deliveries, and collects the payments. Of course the dealer doesn't get as large a discount as he would if he himself did the selling, but he receives satisfactory return for his part in each transaction.

"It is easier to sell through the dealer than through our own branch. When a salesman announces that he represents a well and favorably known local department store or public utility, the prospect receives him more favorably and has more confidence in him than if he merely stated that he was selling vacuum cleaners and would like to make a demonstration.

Then, too, the dealers do have the

machinery for making collections, and purchasers will pay them more readily than they would an independent specialty organization.

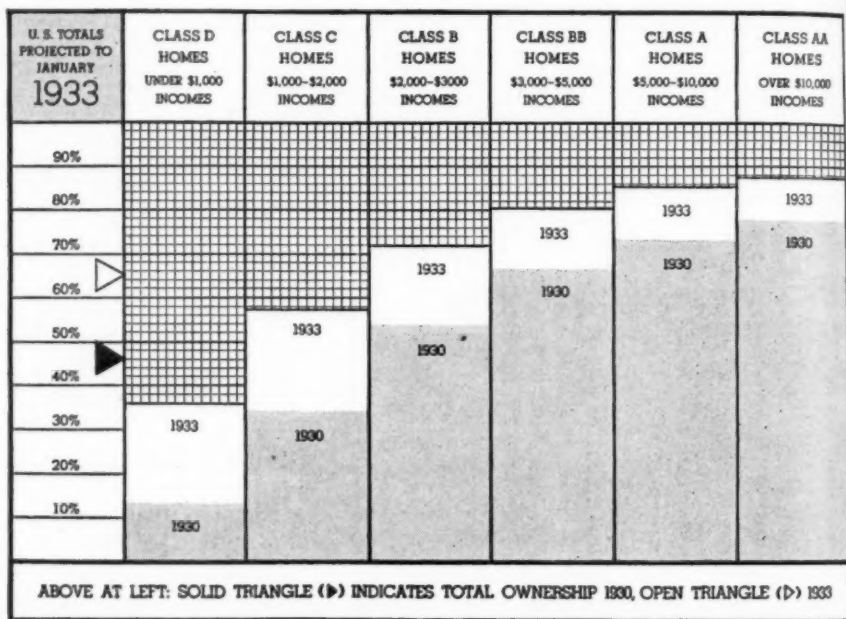
"Finally, this plan relieves us of carrying a large volume of charge business. The dealers carry the accounts.

"We began this plan late in July. By the end of August we had increased our manpower about twenty-five per cent and August was the best month, both in volume and profits, we'd had in well over a year. Our volume since has been even better."

Malt-O-Egg Will Make Its Debut This Month

Malt-O-Egg, first product of Titman Food Products Corporation, New York, will be introduced in newspaper advertising there this month. The corporation is headed by Benjamin Titman, former president of Van Camp Packing Company.

The Thomas M. Bowers Advertising Agency handles the newspaper program. The campaign will emphasize the egg-yolk content in combination with other ingredients.



Percentage of all homes in each income group owning radios in entire United States, as of 1930, with projections to 1933.

U. S. A. Homes Now 56% Radio Equipped

There are 16,809,562 radio-owned homes in the U. S. A., or 56 per cent. Radio owners paid 84 per cent more rent per family than non-radio owners; they owned homes 79 per cent more costly than their non-radio neighbors; the typical radio family earned 93 per cent more income than the typical non-radio family; radio ownership is broadest in the upper income levels (87.8 per cent in class AA homes) and descends like a wedge into the lower income levels (36 per cent of class D homes).

These are conclusions drawn by the Columbia Broadcasting System from material contained in its study "Vertical Study of Radio Ownership, 1930-1933." The study is based upon an analysis of the 1930 census figures. With the cooperation of the Department of the Census, Columbia was able to make a special tabulation of 13,753,073 punched cards (45.8 per cent of the census cards) covering 13

complete states and cross sections of 23 others.

The cards told the story of whether the homes were radio or no radio, the nature and size of the family, the dollars of rent paid, or the value of the home if owned, size of city, number of gainful workers, color and nativity.

The research division of Columbia broke the Government study down by income groups and projected the findings from April, 1930, to January, 1933.

The study is non-competitive—which perhaps is its one weakness. It shows how many people own radios and the penetration of radio influence by income groups, but it does not make any comparisons of radio as an advertising medium with other types of consumer media, nor does it show Columbia's radio story as compared with the National Broadcasting Company, or independent stations. The present study is one of a series which Columbia has sponsored and the competitive side is found in several of their earlier surveys.

"There is **N**othing in the Word of God ABOUT *the* RAILROADS"

THE budding metropolis of Lancaster, Ohio, bubbled with debate. It was the year 1828. Talk had been heard of a trail of rails being laid across the Alleghenies.

"Hurrah!" shouted the younger citizens. "It will bring people and money and prosperity."

"Nonsense!" grumbled their parents . . . they who in their own time had ignored warnings of the impassability of those same Alleghenies . . . who, long rifle in arm, had conquered the ancient mountain barrier to find prosperity and happiness beyond.

In answer to the Junior Auxiliary's application for permission to use the schoolhouse for a formal debate on railroads, the patriarchal School Board replied:

"You are welcome to use the schoolroom to debate all proper questions in, but such things as railroads and telegraphs are impossibilities and rank infidelity. There is nothing in the word of God about them. If God had designed that His intelligent creatures should travel at the frightful speed of 15 miles an hour by steam, He would have foretold it through His holy prophets. It is a device of Satan to lead immortal souls down to Hell."

As old as time, itself, is this conflict between liberalism and tradition.

Had the railroads been dependent on the self-satisfied School Boards of 1828, we might still be cracking bull whips over our oxen. And had the manufacturers of all constructive products and services been at the mercy of those content-with-things-as-they-are, shirts might still be loomed in the kitchen, moccasins fashioned in the living room and the relative equivalent of Lux, Camay, and Palmolive boiled in the backyard!

WE, at Liberty, know something about the power of the young liberals. They have taken our magazine, conceived in the very epoch of Liberalism's greatest triumph, dedicated to the spirit of *constructive dissatisfaction with things as they are*, replete with stories and articles aimed at logical "ways out," without a fear for tradition . . . and have given it the greatest week-after-week repeated demand ever accorded a magazine.

They read not merely its fiction but its dramatically presented *serious articles* with a thoroughness unknown to longer established publications.

Choosing a typical American city (Elmira, N. Y.) to localize its editorial efforts toward restoring confidence in the future, Liberty actually helped to *double* the sales of life insurance, push up automobile sales by 20 per

cent, spurt industrial power consumption by 100 per cent.

Liberty readers are liberal leaders. They have confidence in their country, confidence in the magazine whose thinking is so closely in harmony with their own and confidence in the advertisers who, by their association with Liberty, stamp themselves as being young minded, constructive and true to the liberal ideas that are the hope of the nation.

So far as the old line conservatives are concerned, one will have to remember that "there is nothing in the word of God" about pre-shrunk collars, rubber bathing suits or doughnut tires. But there *can* be, in the pages of this book that is published every week and asked for *all over again* every week by the buying leaders who know that Liberty is a School House that will never be closed to their debate.

COLONEL E. M. HOUSE
CONFIDENTIAL ADVISER TO PRESIDENT WILSON

COL. HOUSE WRITES TO LIBERTY:

"THERE is a place for an aggressive, liberal policy magazine. I have always been identified both in Texas and nationally with the liberal thinking element.

"I am sure that Liberty is well fitted to carry the message of liberalism to the masses with its dramatic, human, concise technique of making every subject popular reading."



TOM D. McKEOWN
HOUSE OF REPRESENTATIVES
District: 4th District, Oklahoma. The Committee on the Judiciary.

CONGRESSMAN McKEOWN writes to LIBERTY:

"I BUY your magazine practically every week and have read it with interest. I am a progressive Democrat liberal in my views and have been a little premature with many of my suggestions that were a little ahead of the procession, so I find that one must slow down and not get too far ahead.

"I think there is room for a liberal weekly magazine in America."



BRUCE CRAVEN, LL.B.
TRINITY, NORTH CAROLINA

Member North Carolina Bar. Founder and first President Trinity College. Major Judge Advocate U. S. Army during Great War. Author: *Torrens Land Title System; Federal Income Tax.*

MR. CRAVEN WRITES TO LIBERTY:

"THERE is an unquestioned popular need and desire for a liberal journalism and a considerable disgust with the usual type of journalism which has become terribly stereotyped.

"I believe that a liberal journal with respect for TRUTH (meaning accuracy in respect to facts), has a popular appeal in America. "Liberty seems to be going far to meet this demand."





WISH I HAD TEN MORE

A Partial List of Visomatic Users

COCA-COLA CO.
SIMMONS BED CO.
GENERAL ELECTRIC COMPANY
SWIFT & CO.
WESTINGHOUSE ELECTRIC CO.
PACKARD MOTOR CAR CO.
OTIS ELEVATOR CO.
JENKINS VALVES
DuPONT'S DUCO
CARRIER ENGINEERING
NATIONAL BISCUIT CO.
BARRETT ROOFING
WINTHROP CHEMICAL
EXIDE BATTERIES
STANDARD BRANDS
NESTLÉ'S CHOCOLATES
AMERICAN CABLE CO.
METROPOLITAN LIFE INS. CO.
U. S. INDUSTRIAL ALCOHOL
JOHNS-MANVILLE CO.
INGERSOLL WATCH

Visomatic Features

It is inexpensive—1/10 the cost of a film production. *Ask for a quotation at once.*

It is quick—you can have a Visomatic production working its head off for you in ten days. *Ask what Industrial Alcohol accomplished in establishing a new product.*

It is effective—Visomatic has got to be good when one-third of all leading national advertisers have adopted it in rapid succession. *Send for booklet of accomplishments.*

It is simple—anyone can operate it without practice.

Other Visomatic Uses

"The Illustrated Voice of Business" is not limited to the application of helping salesmen make better presentations. It is just as effective in a dozen other applications:

Training house salesmen.

Training salesmen for jobbers, dealers and retailers.

Merchandising sales and advertising plans to units of market.

Take prospects through home office, and plant.

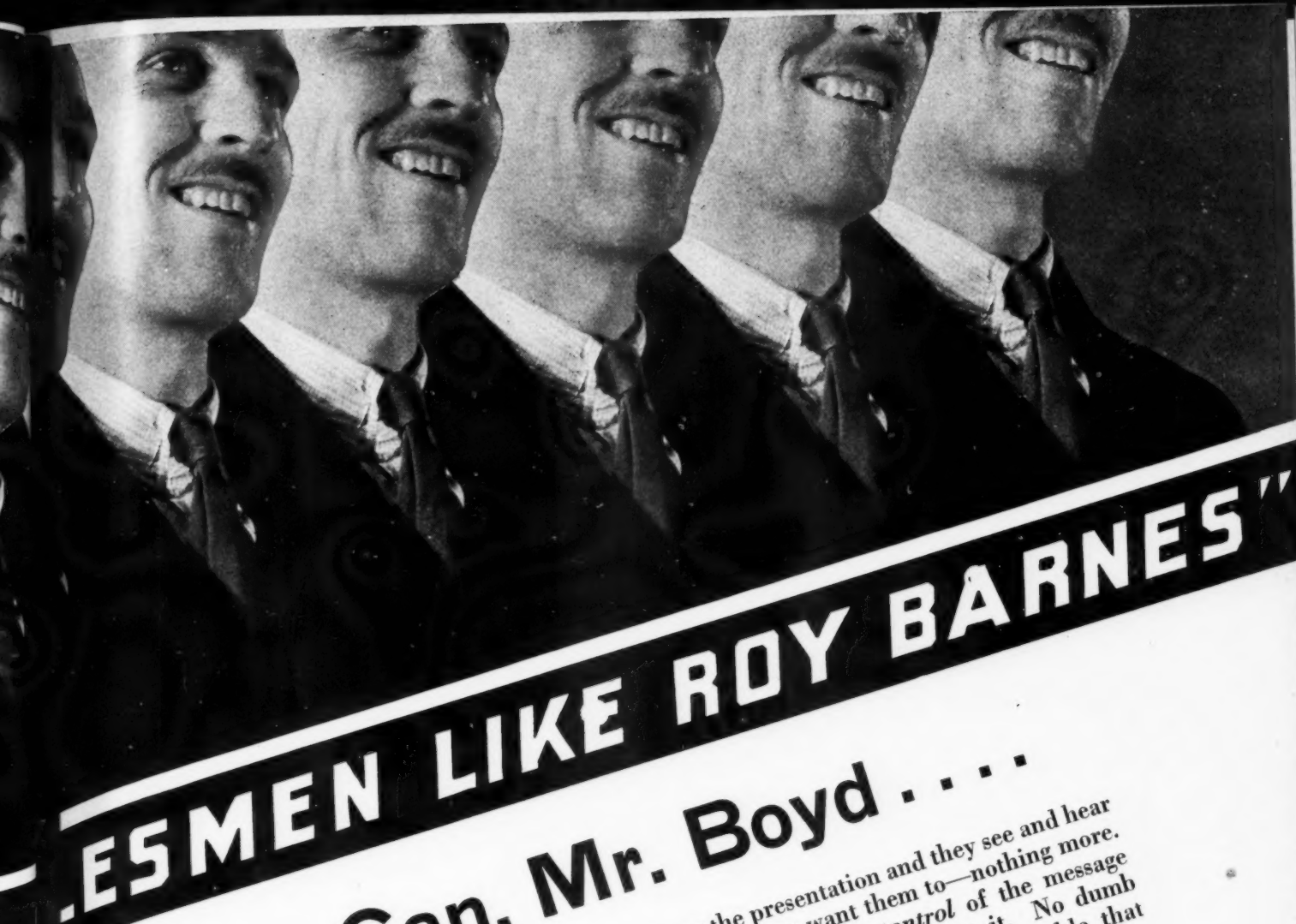
Educating buyers in proper use of product or service.

Write for booklet—it contains many other applications.

The Visomatic Idea

Visomatic is not sound movies, nor is it radio television. It is a fascinating new invention which combines the best features of all sound and visual methods. Visomatic, "The Illustrated Voice of Business" is as unlike other older methods as the present-day radio is unlike the first of the old crystal sets.

Some clients buy their own Visomatic equipment. Others use Western Union service; trained operators in forty-nine major cities can be called upon to make your presentation, in the absence of your representative.



ESMEN LIKE ROY BARNES"

You Can, Mr. Boyd . . .

YOU CAN duplicate the power of your star salesman with Visomatic. Not only duplicate his power but multiply it ten, twenty or one hundred times.

YOU CAN, in fact, duplicate the star salesman himself, (sans temperamental faults) in your Visomatic productions. Prospects in Des Moines, Iowa, will see and hear your sales message presented by your best salesman, but that salesman may be in Buffalo, New York, on that day.

Bear in mind that your audience sees and

hears the presentation and they see and hear just what you want them to—nothing more. You have absolute control of the message as long as you desire to use it. No dumb cluck of a salesman can ever garble that sales story.

Yet Visomatic does not supplant the salesman; it supplements him. It is a fascinating tool that multiplies his power and steps up his effectiveness to the point where "You can, Mr. Boyd, have ten (or one hundred) star salesmen like Roy."

Send today for the booklet giving the complete story of Visomatic and its accomplishments, or better still, write, wire or telephone for appointment to SEE and HEAR "Something New Has Hit the Selling World," a Visomatic production for Visomatic.

Something New Has Hit the Selling World-**INVESTIGATE**

Visomatic

THE ILLUSTRATED VOICE
OF BUSINESS

292 MADISON AVENUE, NEW YORK
360 NO. MICHIGAN BLVD., CHICAGO
5850 SECOND BLVD., DETROIT



Sales Letters

BY MAXWELL DROKE

Less Hedging, More Courage in the New Salesmanship

Out in Minneapolis the other day I fell to chatting with a bright young salesman. Presently we found ourselves discussing the subject of cold prospects and how best to approach them. My young friend, I discovered, had worked out a canvass that impresses me as one of the cleverest and shrewdest I have ever encountered. Here it is:

"Mr. Simmons, my name is Oglotz. I have a canned sales talk that will take two minutes. Will you listen while I tell it to you?"

It works! And, indeed, why shouldn't it work? Here is an opening speech that literally has everything. It is simple, brief, direct. There is a note of engaging frankness in the candid confession that the talk is "canned." And the element of curiosity has been carefully preserved. No wonder eight men out of ten say, "Sure, son, shoot!"—and lean back instinctively to listen while a real salesman tells a real story.

It takes courage to employ that kind of an introduction. No timid soul would ever have dared to be so simple and straightforward. And yet no artifice is half so effective as sheer simplicity.

I tell this story because it serves admirably as a text for a sermon I have long wanted to preach from this rostrum: a sermon on the Tyranny of Timidity. Most of us letter-writers are entirely too self-conscious. We are hampered by fear—fear that the prospect may somehow suspect that we have something to sell! And so we seek to disguise our motive by all sorts of silly subterfuges.

How foolish and futile! No prospect is deceived for a moment by our elaborate circumlocution. And in many cases he may actually resent the obvious effort to capture his interest by stealth. If you are going to write a sales letter, for goodness sake have the courage to make it a sales letter and not a high school declamation.

A Report Plan Which Makes "The Boys" Trade Barometers

One of the difficulties that beset every sales manager is the problem of learning without delay "what's going on" in the various territories; how dealers are faring and what they are saying; what competitors are doing, etc. To depend upon salesmen's daily reports for these data is rarely satisfactory. But the Virginia Baking Company, some two years ago, developed a plan that appears to be working well. Twice each month, on the first and fif-

Standing Invitation

Mr. Droke is always glad to criticize sales letters and direct mail messages for our subscribers. There is no cost or obligation for this service. Address him in care of SALES MANAGEMENT, enclosing a stamped, addressed envelope.



Maxwell Droke

teenth, they send each salesman a special form, which he is required to fill out and return promptly. On this form, under various heads such as "Competitors' Activities," "General Conditions," "Retail Conditions," "Wholesale Conditions," etc., the salesman notes items of interest. For example, under "Competitors' Activities" he is instructed to note current prices and terms; new policies; description of new items, new deals and selling plans.

These reports serve not only to keep the sales manager in touch with the various territories, but are good barometers as to the salesmen's judgment and acumen.

I recently had occasion to examine a letter written by an ambitious young correspondent, for the purpose of recruiting women agents. It was one of those familiar "all you need to do is call on a few of your friends and demonstrate this remarkable garment" effusions. But in the entire letter the only specific reference to the product was a scant mention that the company "manufactures a cleverly designed foundation garment." Not a single feature detailed! When will we learn that to kindle the enthusiasm of agents, salesmen or dealers, we must first of all sell them as individuals?

WU Sows Congratulations—and Reaps Good Will

When an Indianapolis citizen breaks into the public prints through some civic activity, he is likely to be visited the following day by a Western Union messenger, presenting a sealed envelope. Opening the envelope, the citizen finds a neat card, with the newspaper clipping pasted upon it, and these words inscribed, "We have read about you. Congratulations!" In a parallel box appears this message:

Now read about us—

Do you know that—

- Indianapolis is one of the largest telegraph centers in the country
- operating 15 branch offices
- employing 400 people
- handling approximately 1,000,000 messages a month
- disbursing \$50,000 monthly for salaries?

Nearly every dollar of this money is spent with Indianapolis business concerns to

Boost Indianapolis!

A. A. BROWN, Superintendent,
WESTERN UNION.

This Company's Friends Recruit Its Salesmen

I am frequently impressed by the fact that, despite the current unemployment situation, many fine, old-established houses are finding it difficult to recruit a sufficient number of high-type representatives. This seems particularly true of those companies marketing specialties. Not long ago, Frank J. Brown, vice-president of Bastian Brothers Company, Rochester, New York, sent me a letter which his company had sent to advertising agencies, believing that they might, through this channel, locate potential representatives. Because the letter is rather unusual in these times, I think it is worthy of reproduction here:

"Dear Sir:

"Among your acquaintances, we believe, is the man we want as a representative—an experienced, aggressive fellow, who still has the resources necessary to cover his personal expenses for a brief period. He might have formerly been connected with your agency, or on the staff of one of your accounts.

"To such a man we have to offer a straight commission opportunity to become acquainted with a line that is getting more than its share of the business: the Bastian line, a leader for forty years; a line that the right type of man won't have long before he 'clicks' with it.

"E. S. West, of Cincinnati, with us only a few months, closed an order last week that netted him a commission of \$1,200. It was on a Bastian exclusive item, and there was no competition; or a new man might connect, with the help of our artists and sales staff, with a contract for a six months' supply of name plates for an electric refrigerator, such as our Detroit man just sent in. Such orders run into real money and provide a steady income. . . .

"Don't bother about dictating a letter; just tell your secretary to jot down the names and addresses of a few possible candidates on the back of this letter, and enclose in the stamped envelope herewith."

Mr. Brown tells me that men secured through this letter were responsible for \$28,000 worth of new business, within a period of sixty days.

* * *

On my desk, as I write, is a letter from the branch manager of a great life insurance company. He, also, is looking for salesmen. With all of the resources open to such an organization, this manager finds it necessary to write personally to representative policyholders, asking that they suggest likely candidates for four or five positions that are now open.

Something is obviously wrong some place, when men who want salesmen, and good salesmen who want positions, find such difficulty in getting together. Can it be that men who have mastered the technique of selling merchandise have neglected the fine art of selling themselves?

Who Will Govern the Associations Under NRA?

(Continued from page 439)

dent or some high official of the industry's association, should do something that to the secretary would appear contrary to the code under which the industry was working. It might be some unfair practice not covered by the code. Should the secretary be expected to call his offender before him, ask for explanations, or even threaten discipline? Suppose a secretary should even refer such cases to the executive committee, what would be the result? As far as the secretary is concerned, it is easy to imagine. Then take the case of a president of an association; suppose he is called upon to discipline one of the other members, probably an active business rival. What would be the result? That is also easy to imagine.

Intra-Association Meeting

Recently the president of one of our largest industrial associations was invited to speak before a retail association. The association covered most of the retail dealers in that line in the United States. When the president rose to speak at this meeting of the customers of his association he announced that he came to this meeting not to speak as a president of his association, but simply to express his own views on certain trade problems. He went on to say that he was fully aware that a very large percentage of the members of his association—the association of which he was president—did not agree with him in his views. Then he made his speech, which outlined his own individual ideas and the work his house was doing to help the retailers meet their problems.

Now, the question naturally arises whether this gentleman, who is one of the acknowledged leaders in his trade, should have spoken before the retail association when he knew his views were not approved by a majority of his association. If he preferred to speak and outline his personal views, should he not have resigned from the presidency of his association before making his address? It would seem to almost anyone that the president of any association cannot at the same time ride two horses—one horse representing his individual views and the other horse representing the views of his association.

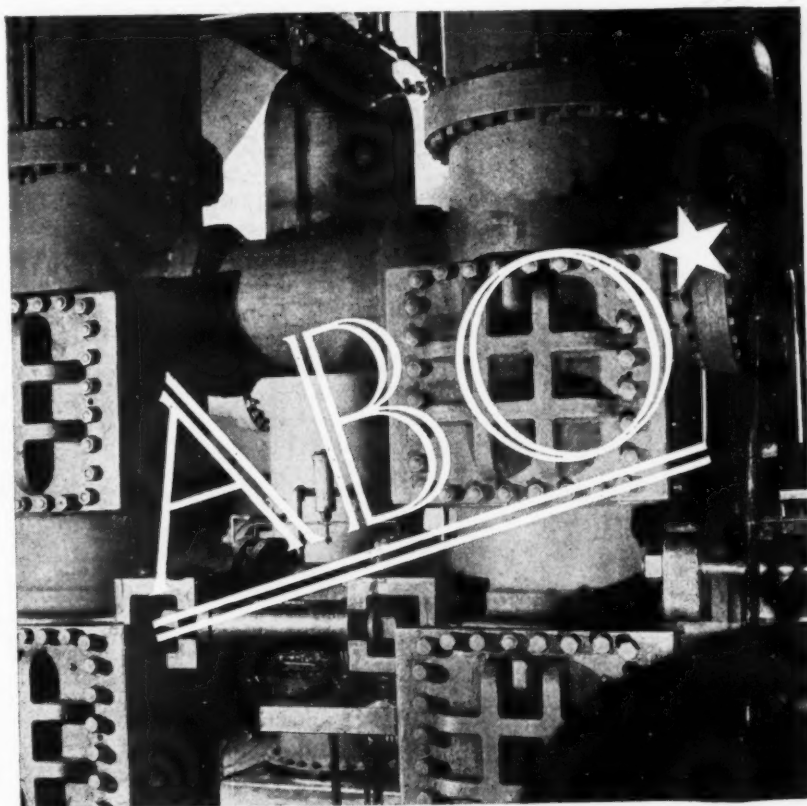
As a matter of fact, the address on the part of this president, representing himself and his own house individually, was resented by the majority of the members of his association. His introduction to his speech was an implied criticism of all the other members of his association.

I merely bring up this recent case to illustrate that the system of having officials of associations discipline the associations in line with the future working of the codes will not work. Human nature is human nature and it just will not set well for a member of an association to be disciplined by one of his competitors. So, the answer, as I see it, is to set up this

proposed board of arbitrators of not more than three members, none of them being active in the industry, none of them being a competitor of the other members.

The dictator who would do the executive work, the necessary disciplining after the facts have been passed on by the board of arbitrators, should also be a man not active in the industry.

With such a system set up, the secretary of an association could do his regular, secretarial work—keeping minutes, records, et cetera—without being expected to control the actions of the various members of his association.



Good advertising like good salesmanship doesn't waste calls. Know ABO* coverage

*ACTIVE BUYERS ONLY

MILL & FACTORY

A CONOVER-MAST PUBLICATION

205 E. 42nd St., New York City . . . 333 N. Michigan Ave., Chicago

(A-8611)

130 Bright Spot Cities

Business Activity as Measured by Bank Debits

As compared with last year, business reached a peak in July at 110.9 per cent, and then slipped back in the following two months, August being 105.3 and September 103.8. Southern states and cities show results of the assistance which the Administration has given to cotton farmers. Out of the 130 cities whose September average equalled or exceeded the U. S. A. total, 55, or 42 per cent, were in Southern states. President Roosevelt in his radio address estimated that farmers this year would have a cash income approximately one-third greater than in 1932, and his predictions are borne out by bank debits figures in farming states.

The cities presented herewith are those which equal or exceed the national average. The complete list of 262 leading cities is

available monthly at a subscription price of \$2.00 a year. Copies are sent by first-class mail on the 20th of each month.

Among the organizations which subscribe to the special service on Bank Debits, are: Pedlar & Ryan; Lord & Thomas; Columbia Mills; General Electric; McCann-Erickson; Ditto, Inc.; United Autographic Register; Victor Adding Machine Company; Lehigh Portland Cement; Ritter Dental Manufacturing Company; The Upjohn Company; John Budd Company; E. Katz Special Agency; Cowan & Dengler; Frank Presbrey Company; American Sales Book Company, etc., etc.

Ask for a sample copy of "Complete City Bank Debits Special Service." Address Statistical Department, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

BANK DEBITS ('33 as of '32) Trading Area Pop. (000 omitted)					
	Aug. %	Sept. %	Yr. to Date %	Relative Standing	
U. S. A. Average (excl. N. Y. C.)	105.3	103.8	92.1	100	
Boston F. R. District	111.0	106.3	94.6	102	
Waterbury, Conn.	173	129.4	128.5	95.0	124
Bangor, Me.	32	114.6	116.6	101.4	112
Boston, Mass.	2,835	112.7	106.7	96.2	103
Brockton, Mass.	210	112.0	113.8	93.7	109
Fall River, Mass.	138	125.8	104.8	99.6	111
Holyoke, Mass.	100	115.8	107.1	90.0	103
Lowell, Mass.	162	102.0	114.0	97.7	110
New Bedford, Mass.	154	118.3	116.7	100.7	112
Springfield, Mass.	625	97.7	106.9	88.1	103
Worcester, Mass.	433	106.4	115.9	82.2	112
Manchester, N. H.	174	112.3	108.5	94.3	104
Providence, R. I.	833	104.2	105.2	96.2	101
New York F. R. District (excl. N. Y. C.)	99.4	103.7	90.3	100	
Stamford, Conn.	81	100.0	114.4	91.2	110
Albany, N. Y.	510	124.1	127.5	95.2	123
Jamestown, N. Y.	100	92.8	104.1	79.9	100
Syracuse, N. Y.	450	100.9	106.2	99.0	102
Philadelphia F. R. District	102.3	97.6	93.7	94	
Wilmington, Del.	244	114.1	110.0	94.9	106
Harrisburg, Pa.	262	111.8	116.7	103.2	112
Lebanon, Pa.	67	111.1	112.7	91.6	108
York, Pa.	167	106.6	111.0	88.5	107
Cleveland F. R. District	107.9	104.6	89.1	101	
Lexington, Ky.	170	105.3	132.7	94.2	128
Canton, O.	290	126.9	132.5	112.6	128
Columbus, O.	634	111.9	113.3	91.5	109
Hamilton, O.	114	107.2	113.1	84.0	109
Middletown, O.	51	120.7	109.3	99.6	105
Steubenville, O.	150	125.6	122.6	90.5	118
Toledo, O.	732	111.9	108.6	97.6	104
Warren, O.	607	153.0	128.5	109.4	124
Youngstown, O.	300	146.1	124.0	94.0	120
Butler, Pa.	85	114.2	108.6	94.2	104
Franklin, Pa.	80	101.3	103.5	77.6	100
Pittsburgh, Pa.	2,000	111.1	106.5	95.5	102
Wheeling, W. Va.	170	110.3	111.1	99.0	107
Richmond F. R. District	95.8	90.1	85.9	87	
Cumberland, Md.	195	116.7	110.3	90.3	106
Hagerstown, Md.	130	102.3	105.0	82.2	101
Asheville, N. C.	379	119.8	120.3	95.0	116
Charlotte, N. C.	650	131.9	108.8	76.9	104
Durham, N. C.	250	187.4	142.7	127.6	137
Raleigh, N. C.	381	110.4	113.0	91.8	109
Winston-Salem, N. C.	200	147.8	120.9	106.5	117
Greenville, S. C.	300	154.4	127.8	110.8	123
Lynchburg, Va.	160	114.8	110.5	96.6	106
Portsmouth, Va.	...	90.0	108.2	87.7	104
Charleston, W. Va.	344	108.0	108.7	97.3	104
Atlanta F. R. District	107.0	100.4	89.1	96	
Birmingham, Ala.	742	107.2	106.0	88.5	102
Dothan, Ala.	300	140.0	103.2	100.0	100
Mobile, Ala.	288	117.9	107.3	91.6	103
Montgomery, Ala.	470	117.0	121.4	101.2	117
Jacksonville, Fla.	313	105.1	114.7	97.9	110
Miami, Fla.	164	101.8	110.7	96.8	107
Pensacola, Fla.	75	116.8	120.2	102.3	116
Tampa, Fla.	335	91.5	104.4	87.3	100
Atlanta, Ga.	1,341	117.2	114.9	109.5	111
Augusta, Ga.	387	122.8	127.0	92.0	122
Brunswick, Ga.	65	107.3	109.3	92.2	105
Columbus, Ga.	202	115.8	109.6	97.7	105
Newnan, Ga.	...	148.0	105.8	125.3	102
Savannah, Ga.	372	110.6	105.1	94.0	101
Valdosta, Ga.	16	257.0	128.6	108.7	124
Hattiesburg, Miss.	178	137.5	129.8	97.5	125
Jackson, Miss.	324	140.6	118.3	107.3	114
Meridian, Miss.	250	120.0	115.6	120.7	111
Vicksburg, Miss.	23	127.6	119.0	107.1	115
Nashville, Tenn.	861	124.6	108.1	98.8	104

BANK DEBITS ('33 as of '32) Trading Area Pop. (000 omitted)					
	Aug. %	Sept. %	Yr. to Date %	Relative Standing	
Chicago F. R. District	101.6	105.3	89.8	101	
Chicago, Ill.	4,532	108.6	109.2	97.2	105
Peoria, Ill.	210	112.4	109.9	91.6	106
Rockford, Ill.	353	135.6	143.3	102.0	138
Gary, Ind.	241	150.8	140.3	89.6	135
Terre Haute, Ind.	130	107.2	111.2	90.8	107
Dubuque, Ia.	283	152.0	125.4	74.1	121
Mason City, Ia.	153	106.9	106.1	90.0	102
Sioux City, Ia.	782	124.6	125.4	101.0	121
Waterloo, Ia.	200	174.1	178.5	88.5	172
Milwaukee, Wis.	1,226	115.2	111.4	100.3	107
Sheboygan, Wis.	127	123.0	106.2	97.4	102
St. Louis F. R. District	109.9	101.5	93.4	97	
Little Rock, Ark.	85	105.8	108.2	86.9	104
E. St. Louis and Nat. Sk. Yd., Ill.	175	98.6	111.0	91.0	107
Evansville, Ind.	444	115.9	107.3	90.3	103
Louisville, Ky.	708	108.5	112.5	101.0	108
Owensboro, Ky.	148	94.9	109.4	78.2	105
Minneapolis F. R. District	128.6	114.3	107.6	110	
Duluth, Minn.	377	145.6	107.4	114.0	103
Minneapolis, Minn.	567	140.8	121.7	112.7	118
Red Wing, Minn.	46	115.2	119.4	88.0	115
St. Paul, Minn.	366	101.3	104.1	90.4	100
So. St. Paul, Minn.	35	124.7	134.7	87.7	130
Winona, Minn.	60	110.3	115.6	95.2	111
Billings, Mont.	13	113.6	108.7	95.3	104
Helena, Mont.	22	126.0	106.2	103.0	102
Fargo, N. D.	132	101.2	104.9	87.1	101
Jamestown, N. D.	80	120.1	110.5	94.8	106
Sioux Falls, S. D.	209	117.6	104.2	98.5	100
LaCrosse, Wis.	181	114.4	107.4	86.9	103
Kansas City F. R. District	108.2	107.4	97.1	103	
Colorado Springs, Colo.	34	112.0	103.7	89.3	100
Denver, Colo.	375	108.2	108.6	97.5	104
Independence, Kans.	40	162.5	161.4	70.0	155
Pittsburgh, Kans.	98	103.0	104.0	82.9	100
Joplin, Mo.	250	152.3	112.0	116.7	108
Kansas City, Mo.	900	120.7	113.4	100.8	109
St. Joseph, Mo.	306	120.6	122.2	97.8	118
Bartlesville, Okla.	54	100.5	128.6	115.6	124
Enid, Okla.	190	104.1	112.2	104.8	108
Muskogee, Okla.	140	102.3	107.5	93.5	103
Tulsa, Okla.	325	94.7	105.1	88.0	101
Dallas F. R. District	105.7	117.0	95.9	113	
Shreveport, La.	509	113.0	109.1	95.0	105
Roswell, N. M.	35	97.4	112.6	102.6	108
Abilene, Tex.	163	115.1	114.1	101.2	110
Austin, Tex.	224	104.9	114.9	89.5	111
Beaumont, Tex.	249	99.5	104.1	85.0	100
Corsicana, Tex.	...	111.0	124.3	84.1	120
Dallas, Tex.	831	106.3	117.6	96.9	113
El Paso, Tex.	439	92.1	103.5	87.8	100
Ft. Worth, Tex.	318	104.8	114.3	89.1	110
Galveston, Tex.	85	100.2	110.0	88.6	107
Houston, Tex.	559	107.7	121.3	102.0	117
Pt. Arthur, Tex.	51	113.7	123.1	91.5	119
San Antonio, Tex.	255	94.5	105.8	91.2	102
Texarkana, Tex.	...	109.8	104.8	87.1	101
Waco, Tex.	275	114.6	138.3	99.9	133
Wichita Falls, Tex.	239	98.2	112.4	95.0	108
San Francisco F. R. District	102.9	102.0	92.8	98	
Oakland, Calif.	586	107.6	105.5	99.6	102
San Jose, Calif.	150	107.0	105.5	85.1	102
Boise, Idaho	109	90.9	135.7	90.0	131
Eugene, Ore.	51	106.5	106.3	79.1	102
Portland, Ore.	475	124.1	115.3	103.0	111
Salt Lake City, Utah	243	111.9	112.1	92.9	108
Bellingham, Wash.	100	107.1	117.2	87.4	113
Everett, Wash.	84	117.2	123.8	87.9	120
Seattle, Wash.	513	115.6	111.7	93.0	108
Tacoma, Wash.	230	113.4	116.4	87.4	112
Yakima, Wash.	82	101.9	104.4	84.8	100

New Luxury Lighter Sales Soar

(Continued from page 443)

strange little product. Spalding's says it is "one of the fastest selling pieces of merchandise we have ever had." Abercrombie & Fitch, with a series of advertisements of its own in the *Times*, *Sun* and *Herald Tribune*, is planning to "take double space in our Christmas catalogue for a group of the lighters." A & F has mail orders from its newspaper program from various parts.

Mr. Andrews expects to tackle drug stores and other outlets soon. He sees a total market for it of 250,000 stores. The quality stores and consumers won, the masses will follow.

The first mailing pieces to some 15,000 stores June 15 told of the "mystery lighter that has Palm Beach agog." At the Everglades Club a young man astonished his lady friend by lighting her cigarette with a little cylinder which employed no flame, wheels, buttons, benzine, batteries or machinery. If there were a breeze in the glades that night it made no difference. Neither rain nor snow nor hail, nor wind, for that matter, can stay this lighter from the swift completion of its appointed rounds.

The young lady of the Everglades was curious. So were other people. The progress of science ruined their privacy. A crowd gathered. The young man politely lit every cigarette in sight. People wanted to know where they could get one, what it would cost. "This lighter," said the young man solemnly, "cost \$148,000 to develop. There are only four others built at this minute." Engineers examined it and were stumped, the owner of a New York department store examined it and was thrilled. He wanted to place an order for 15,000. (Perhaps he has, since.)

The End of Sparks

At any rate, after a quality debut, mass production has begun. Soon all America will know, by courtesy of Mr. Andrews and the Blaker Advertising Agency, that "primordial man and his archaic system of generating sparks, has been left behind in the year of 1933 A.D."

In addition to store, there was some consumer direct mail. Lloyd's Register, for instance, yielded the names of 6,000 yacht owners, many of whom proved not only to be good customers but style-setters in their particular circles. This tone was set by a trademark of an individual in monocle and top hat, smoking a cigarette. A number of prosperous customers also were

won at the Lektrolite exhibit at A Century of Progress.

The original letter to stores offered a discount of 33⅓ per cent, and in addition to a coupon in a four-page mailing list (the first page of which was the letter) contained an order blank. The job-reporting the Everglades Club event, was attractively written and picturized. Some 1,000 stores promptly expressed interest. These were "loaned" lighters, so the buyers could see for themselves how they worked, and then orders were filled as fast as production facilities could be had.

Sister Products to Follow

Before long, however, the company ran into difficulties. It had been thought that only two or three cigarettes would be lit each time the cap was removed. But people played with the lighter at parties. It would not work till the cap was replaced and again removed. Too much oxygen, perhaps. In any event, the engineers of the company overcame this difficulty and Mr. Andrews made capital of it. In letters to the store buyers he requested that they call in "all Lektrolites sold your customers on or before September 6, as we wish to install new wick holders and lighting elements. Our engineers have improved this lighter to such an extent that it will now light 500 cigarettes without replacing the cap. . . .

"We want your customers to have the benefit of this improvement. Our guarantee is complete on this item, and we believe we have succeeded in making the lighting of a cigarette an interesting incident."

At least one of these letters, to H. L. Redman, vice-president of Saks Fifth Avenue, was reproduced by the store in its own advertising. Copies of this ad were sent to all dealers, with an offer extending merchandise credit to cover 50 per cent of the expense. Some 14,000 of the 15,000 lighters then outstanding were returned for reinvigoration.

Meanwhile, Mr. Andrews has advised dealers to order promptly the Lektro-Pencil, introduced in October, advance orders for which totaled 30,000.

Another Platinum Product, to be introduced soon, will be custom-made gold and silver finger nails for women. These, he told SM, already are popular in Europe. He expects they ought to sell well, at \$40 and up, here.

IT IS A FACT...

For the last four months we have claimed that conditions in Canton are better than in any metropolitan market in Ohio.

Business activities as measured by bank debits prove our contention.

Business in Canton during August was 26.9% better than the average throughout the country. In September it was 32.5% better.

Only two cities in the country show a larger gain in activities for the first nine months of the year. Employment in Canton is now equal to 1930 figures.

Manufacturers! If you are not getting re-orders or your share of business from this great purchasing area—create a demand for it thru—

THE CANTON REPOSITORY

For 118 Years
A Dependable Institution

PROFITS Depend on Sales

What is the sales outlook for the United States? By sections of the country? How do different cities compare? What are the industrial and agricultural possibilities?

You will find our current SALES AND CREDIT MAP, in which the above questions are answered, of great aid in working out your sales and distribution problem.

We have a limited quantity of these Maps, a copy of which we will be glad to mail to interested executives.

Address Dept. SM-53

THE BROOKMIRE
ECONOMIC SERVICE, Inc.

551 Fifth Avenue New York, N. Y.

"WHAT LUCK!

You're just the man
I wanted to see!"



At The ROOSEVELT,

meetings like this are an every-day occurrence—you do meet the men you "wanted to see." It isn't luck—it's simply that the men and women of your world naturally stop at the Roosevelt. They appreciate value, in hotel service as in everything else. And the Roosevelt is New York's best value—the least expensive finer hotel.

Rooms now  from \$4.00

The ROOSEVELT

Edward C. Fogg, Managing Director
Madison Ave. and 45 St., NEW YORK
A UNITED HOTEL

Media and Agencies

New McCall's First Year

Donald Parsons, who learned about women on the *Ladies' Home Journal*, is given much credit for transforming *McCall's*, in October, 1932, into a new type of woman's magazine. The present *McCall's*, as you know, is three magazines in one; News and fiction, homemaking, and style and beauty—each with its separate cover, but all bound together in each monthly issue.

In consequence, Mr. Parsons became promotion manager of *McCall's* and its affiliated *Redbook*.

We went over to see him the other day to find how the new magazine fared in its first year.

It was not a good year for impressive figures in any form of enterprise. Even so, we learned that *McCall's* had increased its share of the total advertising columns published in the six women's magazines (including *Good Housekeeping*, the *Home Journal*, *Woman's Home Companion*, *Delineator* and *Pictorial Review*) in the first ten months of this year as against the same ten of 1932, from 18.4 to 19.3 per cent. This was not a notable rise, for *McCall's* had only 13.7 of the total in 1928, but Mr. Parsons thought it showed the direction in which the wind was blowing. Women's magazine circulations haven't held up generally to 1932 levels, and *McCall's* was no exception. Reader interest in the new makeup, however, as evidenced by requests for editorial service material and booklets, has risen an average of 70 per cent.

Readers and advertisers both seem to like the "ensemble" idea better. All but six advertisers have wanted to be in the section where they could appeal to Mrs. Reader in the appropriate one of her three customary states of mind. Of course, most of the food and household appliance advertisers wanted to be in "homemaking," and the cosmetic and clothing people realized that they belonged alongside editorial material dealing with these subjects. Certain other advertisers, however, sought "style and beauty," for reasons of their own. Cars and beds may be thought primarily utilitarian, but Plymouth motor car asked to be in "style and beauty." So did Simmons beds.

It seems that a girl student in the Kansas School of Journalism wrote to Mr. Parsons a year or so ago for a "picture" of the woman's magazine of the future. The w.m.o.f., he thought, should be "departmentalized" in precise proportion to a woman's major interests. What were those interests? First, they were her own beauty and adornment to get a man. When she had him, she had also a family and a household. Then she wanted to escape from the lot of them. Mr. Parsons did not mean that she would actually desert them. At certain times she loved her family and home. But she still wanted to look pretty, either for them or for somebody else (in a platonic sort of way). She fed the illusion of escape by reading romantic fiction.

McCall's took the three major interests backward and put them into the magazine.

Women, at the rate of 200 a day, wrote in to express gratitude.

Food News Dominance

A keen battle of almost a year between the Cook-McQuade *Food Field Reporter* and the Butterick *Grocery Trade News* for leadership in the field of food news ended October 30 with the purchase by the *Reporter* of the *News*.

Both fortnightly papers, published on alternate Mondays, *Food Field Reporter* was introduced December 19, 1932, as a "companion" of the successful Cook-McQuade *Drug Trade News*. *Grocery Trade News* appeared a few days later. Though the Butterick people were in the food industry a number of years earlier, with *Progressive Grocer*, a monthly journal, the Cook-McQuade group claim to have originated the idea, and to have tested it a couple of years before the idea apparently was born in both at once.

The *Reporter*, with Victor H. Pelz as editor and Dan Rennick manager editor, built on the strength of the news gathering organization developed for its *Drug Trade News*—paid as much as \$500 a month for Washington service alone. The *Grocery Trade News* relied on its long food publishing experience and its wide acquaintanceship in that industry. Though the *Grocery Trade News* claimed a circulation of 16,000, as against 13,000 for the *Reporter* (both "controlled"), the *Reporter* has been more successful in getting advertising revenue. In its first quarter, the *Reporter* averaged 425 column inches of advertising an issue; in the second 550 column inches; in the third 810, and in the first three issues of the fourth, 910. The size of the *Reporter* has been expanded, on the basis of a 50-50 advertising-editorial ratio.

Newspaper Lineage Holds

Newspaper advertising lineage in September, according to figures for 52 cities as compiled by Media Records, Inc., ran 99.6 per cent of the same month last year. Automobile is 146.8 per cent; general, 104.1, and department store, 102, but classified, financial and retail other than department store, were off enough to bring the total slightly below last year.

Birthday Housewarming

National Broadcasting Company's removal to Radio City in Rockefeller Center, New York; its seventh anniversary as the first national network system; Armistice Day and a few other things, will be celebrated with a full week of special broadcasts. Starting Saturday, November 11, the week will reach its climax on the birthday, November 15.

Pink and White Winner

Palmolive's little girl, garbed like Sally Rand sans fans, discovering that she is "schoolgirl complexion all over," took first prize at the fourth annual display of outdoor advertising art at the Marshall Field galleries recently. Andrew Loomis, Chicago artist, did it for Colgate-Palmolive-Peet via Lord & Thomas. Buick's pup, by Frederick Stanley for Campbell-Ewald, was second. Captain H. Ledyard Towle, art director of Campbell-Ewald, did the Gaytees girl for U. S. Rubber, third.

The Spotlight on Washington and NRA

(Continued from page 442)

up the NRA in spirit as well as in language by furnishing a good example to their patrons and to the rest of the nation in living up to the terms of their code 100 per cent—the retail trade will become one of the greatest forces, and perhaps the deciding force, for recovery. In their own interest, as well as in the interest of the entire recovery program, they should drive ahead at full steam for the biggest fall and winter business possible. Nothing else will do more toward the success of the entire program."

Hearst Against NRA

William Randolph Hearst, who has in general supported the Administration's plans, now turns thumbs down on the NRA and urges other newspaper publishers to join him in exposing what Mr. Hearst considers fallacies in either the conception or the outworking of the plan. It is said that not long ago Mr. Roosevelt told newspaper men that he was somewhat alarmed because the press was too friendly and too uncritical. Now, with the press less inclined to be a sounding board for Government propaganda, and with a critical Congress almost ready to start for Washington, the President will find all of the opposition he wants.

Media and Liquor

The Postmaster General has ruled that repeal of the prohibition amendment will not affect operation of the so-called Reed amendment, which prohibits the use of the mails for advertisements of intoxicating liquors or solicitation for such liquors in dry states. This brings up an interesting question: which will be most important to publishers—their right to distribute copies by mail in dry states, or the liquor revenue from advertising? Several possibilities present themselves: distribution by methods other than mail in the dry states, special dry-state editions of widely circulated magazines, cessation of circulation effort in dry states and the return of the unfilled portion of the subscription price to existing subscribers. What will be done in connection with radio is another riddle.

Publicity Minus

The moving picture interests have

been most generous in contributing one-reelers which are designed, presumably, to "put over" the NRA to the public. The favorite stunt has been to assign leading screen comedians the job of selling NRA to what they must consider a very dumb public. The net result, according to our observation, is that the public is being unsold. The other day, for example, we saw a Wheeler and Woolsey opus, touchingly dedicated to national recovery. It abounded in such things as "I can't figure out what it means, but I want to sign," and "The Greeks had a word for it, but I've forgotten

what it was." With what were probably the very best of intentions, the movie magnates have actually heaped ridicule on the plan by implying that no one can possibly figure what the NRA is all about.

Sells HOle in Canada

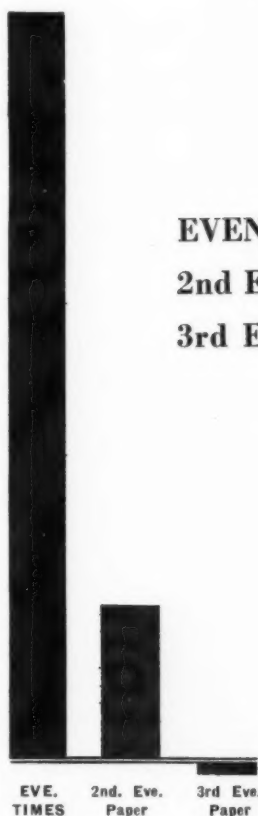
Merle Banker Bates, sales and advertising manager of Life Savers, Inc., New York, has been appointed vice-president and general manager of Life Savers, Ltd., with offices and factory in Hamilton, Ontario. Gordon C. Young has become advertising manager at Port Chester. Mr. Bates has been active in the affairs of the Association of National Advertisers.

WASHINGTON'S FASTEST GROWING EVENING NEWSPAPER

Circulation Gain or Loss During Past Seven Years

- This is how Washington's three evening newspapers have followed the growth of the Washington Market with their total net paid circulations during the past seven years:

EVENING TIMES...53,668...or 101% GAIN
2nd EVE. PAPER...19,791...or 21% GAIN
3rd EVE. PAPER... 1,298...or 2% LOSS



- The Washington Times has more than doubled its market coverage—and now it is impossible to do an adequate selling job in Washington without using the Times' great circulation of

**106,953
FAMILIES**

WASHINGTON TIMES
THE NATIONAL DAILY

Represented Nationally by the
Rodney E. Boone Organization



LOW RATES

Comfortable rooms-
hospitable service
.... excellent inex-
pensive cuisine....

FROM FOUR DOLLARS
A DAY
COURT ROOMS-THREE FIFTY

MARK HOPKINS

OR

THE FAIRMONT

HOTELS

OVERLOOKING
SAN FRANCISCO

No excuses!

... as salesmen you probably know all the "excuses" as to why I didn't get the order. It's your business to know excuses—and have a sensible reason for "their" not being the reason for an empty order book.



Try the "excuse" method on yourself and substantiate one good reason why you shouldn't have a new custom tailored suit or coat.

Then with the fact that you too are not "passing the buck" with excuses, allow us the pleasure of making your clothes the way you would like them to be ... at a price you want to pay.

BRyant 9-7495

Shotland & Shotland

....Custom Tailors....

274-276 AVENUE C, NEW YORK CITY

Sunday News Sale Hits 2,000,000

(Continued from page 448)

that day, and each succeeding Sunday of the month, the circulation has passed 2,000,000. Probably this was the largest month-to-month increase in *News'* history. Certainly it is the first time any American newspaper has passed the 2,000,000 mark. The world over, only the London *Sunday Pictorial*, at 2,400,000, is larger.

Certain English newspapers have been striving hard to reach 2,000,000 of late, with the help of free sets of books, free clothing premiums, free life insurance policies and other inducements, and in June both the Beaverbrooke London *Express* and the Inverness London *Daily Mail* are supposed to have achieved it. The circulations of these papers have fallen off since then, though. Also the large English newspapers circulate among Britain's 57,000,000 people, all of them within 12 hours by rail from London. Several of them distribute from branch plants in Manchester and other cities. The *Daily News* has achieved its record among the New York Metropolitan area's 10,000,000 alone—79.1 per cent of it being in New York City.

The Japanese Osaka *Mainichi* has boasted of more than 2,000,000, but in this figure, it is said, is included the circulation of its affiliated Tokyo *Nichi-Nichi*. The Osaka *Asabi* and the Tokyo *Asabi* combined have about 1,700,000. If the New York *Daily News* and the Chicago *Tribune* were to lump their totals, they could make an even more impressive showing.

The most interesting thing about the Sunday *News* October record is that it is being maintained. The *News* people have found that "if a new feature can hold a new group of readers for four weeks, you can keep 60 or 70 per cent of them." Thus the introduction of colored comics in the Sunday *News* in February, 1923, won and held directly 100,000, and of rotogravure, in October, 1926, 100,000 more. On the other hand, the readers who buy a paper to read of a news event—or who are intrigued by a dramatic picture—are not such steady customers. The finding of the body of the Lindbergh baby last year, for example, lifted the *Daily News* circulation for that day to 2,019,000. But soon it was back to 1,400,000. The prolonged Hall-Mills and Gray-Snyder murder cases apparently contributed nothing to its steady upward circulation curve.

At the end of its first 18 months, or by December, 1920, the *News* had

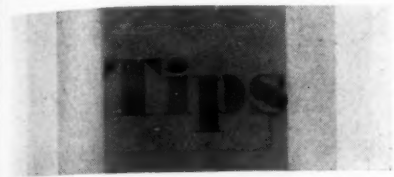
300,000 circulation. Only the *Times* and the *World* exceeded it among the New York morning papers then, and only the *Journal* among the PMs. In 1923 the *News* passed the *Journal*. Now both its daily and Sunday circulations are about twice as large as any other New York paper, and the *News* has nearly half of all the morning circulation.

"Big names" in serial stories have attracted and held readers—names like Edgar Wallace, Wallace Irwin, Vina Delmar, Martha Ostenso. So have the *Tribune* comics, used by the *News*, which were probably the first daily comic to have "plots" in them. The "service" departments have helped (of some things these departments have sold as many as 800,000 a year). But reader contests have been even more important. Limericks came first. Then there have been movie popularity contests, handwriting contests, beautiful child contests. Contests were frequent in the early years, but have been used less lately.

Advertisers were a bit slower than readers to appreciate the power of the *Daily News*. But by the end of its first 16 months the paper was out of the red. This was due largely to the efforts of William H. Field, former business manager of the Chicago *Tribune*, day nurse to the infant paper. Last in lineage among the sixteen papers in New York City in its first four years, it started to climb in 1923. Among 13 papers in 1932 it stood third in total lineage—surpassed only by the *Times* and the Brooklyn *Eagle*. Every year until last year its volume was larger. Starting with \$250,000 in its first full year of 1920, it rose to nearly \$11,000,000 in 1931. This volume has been made with the lowest milline rate in the United States, a rate which has not been increased in the last five years, despite the fact that its circulation is 300,000 larger now. The *News* has more advertisers now than in 1929.

Some evidence of returning prosperity to the mass market in New York is found in the fact that the *Daily News* has printed 108-page issues several times this fall, and one, on October 11, of 112. One hundred twelve, in fact, is its present limit.

In many ways this 14-year-old "baby" of the *Tribune* has become as big a business, and an influence, as the *Tribune* itself. If you were to ask McCormick and Patterson which is the "world's greatest newspaper" now, you might be surprised at the reply.



Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office, please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

Surveys for which a charge is made are so indicated. Requests for these, accompanied by the purchase price, should be mailed direct to the publishers.

Land of Vast Distances, Great Contrasts, Tremendous Sales Potentials: Sales executives, long familiar with the statement "Yes, but my territory is different," should approach this new study, "Selling the West," with open minds. For with all the logic and trained statistics at his command, Edwin C. Bates, special agent of the U. S. Department of Commerce, shows why and how the eleven far Western states, comprising 40 per cent of the land area of the U. S., are different from the rest of the country. Mr. Bates prepared the study for the Western Division of the National Broadcasting Company, while on leave of absence from his official duties. As a study of causes and effects, and a keen analysis of buying habits, as influenced by population trends, it is decidedly worth time and filing space.

In an introduction which, like all the following pages, is written with such evident gusto that it becomes downright interesting reading, Mr. Bates compares the Pacific Coast states with the Mountain states, to show what contrasts important to the sales executive exist in this area. At the outset, he insists that you cannot measure the West properly by merely multiplying its varied population of 12,000,000 people by the average per capita consumption for the United States. Forget the "average American consumer," and focus on the western consumer—first, the consumer living in the Pacific Coast states, city dweller in the main, and secondly, in the Mountain states, which are predominantly small-town and rural. One of the many specific contrasts is this: 53 per cent of the retail trade in the Pacific Coast states is carried on in cities of 100,000 and over; while more than 53 per cent of the retail trade of the Mountain states is done in towns and cities of less than 10,000 population. What this means in terms of department store, specialty shop, and chain store price selling in this one section as contrasted with the general store outlets in the other is important to the sales executive as well as to the salesman and his routing in the field. In the city of San Francisco, 138 delicatessen stores reported sales of over \$3,000,000—while in three of the Mountain states there were no stores of this type at all, and only 41 in all the remaining five states. Nine major cities of 100,000 and over in the Coast states contain 40 per cent of that section's population—expressed in another way, for every 1,000 people in the U. S., 296 reside in cities of 100,000 or over, whereas on the Coast, there are 407 living in cities of this size. Consider this in terms of consumer demand, keeping in mind the mileage between the cities

and the way distance affects the selling job.

Following the introduction, of which this is a wholly inadequate report, there follow detailed sections on the San Francisco-Oakland territory, Los Angeles-San Diego, Portland, Spokane, Phoenix, Salt Lake City, Denver, Butte-Billings, and Honolulu. Treatment covers economic background, area and population, retail trade and structure, and the radio factor, with maps.

The study is available through this office, or direct from Roy Frothingham, sales promotion manager, N. B. C., 111 Sutter Street, San Francisco.

Somebody Loves a Salesman! Space forbids reprinting here the entire letter written by a sales executive to one of his district representatives describing this eulogy of a salesman and his job. He called it, however, "the finest appeal for the poor angel of commerce that I have ever had the privilege of reading . . . a far superior message (to Elbert Hubbard's 'Message to Garcia') which will probably die in the pages of a house publication of restricted circulation. . . . It is worthy of reprint and should be engraved and framed and hung where all can read it." This letter fell into the willing hands of The Phoenix Metal Cap Company, in whose house organ, "The Phoenix Flame," the article originally appeared last July. Thus prodded into a determination that the article should not languish and die, the company has now reprinted the article in an attractive little booklet entitled, "Sparks From the Flame," which is available and suitable for distribution to sales organizations. Take our tip and write for a copy, and for as many more as you can get for your men. No charge, while the supply lasts.

Salesmen's Guide and Route Lists to Montreal: The 1933-34 edition of "Salesmen's Route Lists of Grocery and Drug Stores" accompanied by a large zoned map of the city showing percentage of English and French speaking families and number of various retail outlets by zones, has just been published by the Montreal Daily Star. Sales managers and representatives covering

this city, or contemplating development work there, should have this material which is available without charge. Addresses and names of listed stores, both grocery and drug, are given, by map zones. Write this office, or direct to H. G. Brewer, advertising manager, the Montreal Daily Star, Montreal, Canada.

The Brookmire Economic Service says Akron is one of 13 cities where manufacturers will find the best sales prospects this fall.

Mr. P. W. Litchfield, President of the Good-year Tire & Rubber Co., says the Goodyear factory payrolls for September, 1933, were three-quarters of a million dollars higher than they were six months before.

You can cover this alert Free-Spending market at one cost in the

Akron Beacon Journal

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display. Cash Basis Only. Remittance Must Accompany Order

EXECUTIVES WANTED

SALES MANAGER. TECHNICAL GRADUATE experienced in selling technical products to industrial manufacturing companies. Headquarters Philadelphia. Necessary to travel about half the time through east and middle west. Must be able to direct other salesmen. In reply state age and previous experience. Address Box 390, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

SALARIED POSITIONS \$2,500 TO \$25,000. This thoroughly organized advertising service of 23 years' recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated, through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance the moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over

\$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N. Y.

POSITIONS WANTED

DISTRICT MANAGER FOR 12 YEARS WITH nationally advertised firm—still with same firm but now in a position to add another line or can make a complete change for a suitable opportunity. Thoroughly acquainted with the Department Store, Wholesale Drug, Hardware and Electrical Jobbing trade in Missouri, Iowa, Minnesota, Nebraska, Kansas, Oklahoma and Texas. Can furnish best of references. Box 388, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

SALESMAN OF LONG EXPERIENCE DESIRES to represent reputable concern, on salary and commission basis. Have called upon the large industrials in Western Pennsylvania, but would consider any territory to connect with first class house. Address Box 389, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

TORONTO
MONTREAL
WINNIPEG
LONDON, Eng.

GIBBONS KNOWS CANADA

REGINA
CALGARY
EDMONTON
VANCOUVER

C o m m e n t

WHAT ABOUT THE RETAIL CODE? It is so easy to be critical in discussing the "loss limitation" section of the Retail Code as finally approved by the President that we almost feel disposed to forego an expression of our opinion, but we are too concerned about it to be able to do quite that . . . President Roosevelt and his advisers declined specifically to give the retailers what 99 per cent of them asked for. The rejection of the "cost plus 10 per cent" provisions makes that much very clear. But whether this was done in deference to the 1 per cent or the farmers as represented by AAA, or both, will probably never be widely known. In any event, we vigorously disapprove the mangled, largely incomprehensible mass of words that finally emerged under the general heading of "loss limitations." At this point the Code reads like a potpourri of lawyer, politician, merchant, socialist, foreign diplomat and conjurer without much indication of these parts blending into a worthwhile recipe. . . . It would be shameful to think that that "one per cent" could cause the 99 per cent to be overruled and it is equally difficult to understand by what process of rhyme or reason the farmers can possibly conclude they would be best served by widescale selling at a loss. We think the farmers have been "sold out" by leaders who have been sadly misinformed as to the consequence of profitless selling on both farmers and Labor. Some day a Professor Einstein of practical economics will draw a super-scale graph which will show the prosperity of farmers and of Labor declining inversely with the rise in the volume of profitless selling by manufacturers and merchants. . . . Also, we cannot help wondering about the political propriety of the farmers telling 99 per cent of the merchants how to run the merchants' business. Do the farmers now want the merchants to turn around and provide the trade practice rules for farming? Similarly will Labor make up the new rules for banks? Finally, should business men concentrate on making up new theme songs for NRA parades? All of which is by way of saying we think the AAA interference with the Retail Code may set a bad precedent that is likely to accelerate and augment *class strife*, the bugaboo of all governments. . . . The prohibitions with respect to advertising are something quite new and seem drastic enough to leave reformers and crusaders quite speechless. If these rules with respect to advertising are lived up to, then the advertising profession and retail merchants at large will soon know what financial men are talking about when they mention "the restriction of business brought on by regulations too idealistic to be criticized in theory but too theoretical in conception to be practical in operation." As editors we hate to speak lightly of ideal-

ism, but we cannot help feeling that these provisions savor more of minister-ation than of successful *administration*. . . . In the working out of most of the trade practice provisions, including the "loss limitation" feature, the real solutions and answers appear to be in the Retail Trade Authority, all members of which are Presidential appointees. So after reading the Retail Code as finally approved one can at least sit back and say that a good job, a grand job, has been done of so mixing up words and things that few critics or boosters can speak up with any certain knowledge of either what is or what is to be. But at least we now have a Retail Code, *and that is something*.

AMERICA'S GOLD MARKET. We have done a good deal of reading and we have asked a lot of questions to find out the true significance of the monopoly market for gold which the President has opened up in the United States. The first eight executives we asked—and they were all "big shots"—said quite frankly they did not know what it was all about. The thirty-odd editorials and articles we read filled us with a lot of ideas but very few conclusions. Hence, we comment in a truly cautious spirit. . . . The people opposing the adoption of this new idea say it means devaluation of the dollar. The proponents of this idea say it represents part of the plans for increasing prices and, hence, is commendable inflation. And so whether you are for or against the gold buying plan seems to rest on whether you are for or against reflation. It's nice to know that much because you can then, at least, understand the issue that is involved. . . . Apart from this phase, we have a "hunch" that this new gold plan is going to go a long way toward developing a *real desire* on the part of foreign nations to cooperate with the United States in stabilizing international exchange *at fair levels*. And after witnessing the recent dog fight at London, we should like to see such an outcome with the good old U. S. A. sitting in the saddle because, after all—World Courts, League of Nations, Disarmament Agreements, Treaties, Quotas and Whatnots—we seem to be the *only* nation on the face of the globe that cares much of anything about anybody except itself. Supposedly, we in the United States are nationalistic but we have proved ourselves distinctly international in our sympathies and, hence, in our *desire* to cooperate. Conversely, most of the foreign powers—supposedly internationally minded—are becoming more and more severely nationalistic *in their actions* each and every day.

Ray Bill